



Customer Support Transformation

The Guide to Essential Practices and Metrics

A Collaborative Research Study



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A COLLABORATIVE RESEARCH STUDY

*ServiceXRG and TeamSupport have joined forces to create a comprehensive study of the Support industry. **Support Transformation: The Guide to Essential Practices and Metrics** report examines current trends in Support delivery and offers tangible guidance for Support and Service professionals to meet growing expectations of both customers and company executives. This study examines:*

- Customer demand for Support services.
- Practices companies use to manage and respond to customer Support requests.
- Metrics and measurements for Support.
- Benchmarks to indicate current performance levels.
- Strategies and practices to scale Support.
- New challenges and opportunities for Support.

Research Methodology

Data presented within this report is based on a three-pronged study of technology service practices, performance, and trends related to the delivery of Customer Support. The study consists of a web-based survey with 332 completed responses; one-on-one follow-on interviews; and an analysis of more than 44 million anonymized post-sales service case records. For complete information, see the Demographics section on page 77.

Business to Business Edition

This edition of the *Support Transformation: The Guide to Essential Practices and Metrics* report features the practices and performance of companies that primarily serve Business, Government, Education, and Non-Profit entities. There are 215 enterprise-focused service providers featured within this analysis. Consumer-focused service providers are excluded from within this analysis to assure that the challenges companies face in providing Business-to-Business (B2B) support are accurately reflected.

INTRODUCTION

As we enter a new year the strategic role of Support must be aligned (or realigned) with overall corporate strategies. Companies that are moving to subscription-based relationships with customers and seeking to bolster recurring revenue streams must leverage Support as an integral part of their post-sales strategies to sustain and expand customer relationships.

Support continues to be the preeminent technical resource for resolving customer issues and advocating for product usability and performance enhancements. Company-wide initiatives to improve customer experiences (CX) and drive success are influencing Support to engage in new, more meaningful customer interactions.

While most companies have Customer Success initiatives, many rely on Support's expertise and resources to contribute to the attainment of customer outcomes. Support organizations must scale to meet growing demand and pivot to more proactive and preventative postures as they are increasingly called upon to participate in success-related activities.

THE SUBSCRIPTION EFFECT

One of the most profound changes to the technology services industry is the clear shift away from selling perpetual product ownership toward a concerted effort to drive customers to subscription-based relationships.

Nearly a third (30%) of technology companies have come to market with, or moved exclusively to, a subscription licensing model. Most other companies (66%) offer both perpetual and subscription licensing options with nearly all (63%) indicating an intent to continue their shift to subscription.

The shift to subscription fundamentally changes the financial relationship with customers from pay-upfront to own products, to a pay-as-you-go to use products. For revenue to continue to flow, customers must continue to use products. It is not sufficient to only satisfy customers, Support must help deliver positive customer experiences that help sustain existing relationships.

THE STATE OF SUPPORT

As the technology industry has evolved, Support processes and strategies have been challenged to keep pace. For many companies Support remains a reactive post-sales activity driven by metrics that emphasize the volume and velocity of case closure. However, in an era of subscription licensing and everything-as-a-service, reactive Support models are not enough.

Many aspects of Support remain unchanged from years past, yet strong indications suggest that Support is making the transition from a reactive transactional model to a more proactive and preventive posture. Self-help, automation, and concerted efforts to upskill customers and improve product quality are helping Support to scale beyond simply meeting demand and are delivering enhanced customer value. Here are our key observations about the state of Support.

Key Observations

- Support demand will outpace staffing and resources unless Support invests in efforts to scale capabilities by reducing demand and operating more efficiently.
- Support will increasingly be influenced by and involved with success-related efforts to drive customer adoption, success, and retention.
- Efforts to capture and learn from customer interactions are imperative to driving Support efficiency and scalability yet remain suboptimized.
- As assisted case submission shifts to electronic channels, significant opportunities to automate and improve Support efficiency become evident.
- Top Support metrics emphasize transactional efficiency but need to expand to reflect relationship health and the likelihood of retention or churn.
- Initiatives to help scale Support are widespread but lack maturity.
- The use of self-help resources is growing modestly while its impact remains steady.
- Self-help initiatives alone cannot scale Support capacity enough to meet demand.
- The Support/Engineering interface must be optimized to prevent issues through product-related enhancements.

SUPPORT IMPERATIVES

While we observe positive trends in the scaling and refocusing of Support on proactive and preventative initiatives, we also see areas where Support leaders must focus to drive the transformation of Support. Consider the following imperatives for Support:

- Focus Support efforts on delivering positive experiences that retain customer relationships and recognize that this is not just a Customer Success mandate.
- Adopt customer retention and relationship health scoring as top Support metrics.
- Prioritize investment in Support initiatives to improve resolution efficiency, enhance self-help effectiveness, and to mitigate future demand for Support.
- Align organizational, team and individual goals to contribute to delivery efficiency, issue prevention and customer retention metrics.
- Synchronize Support and Success offers to provide customers with end-to-end service portfolio choices.
- Optimize Support policies, process, and tools to capture complete customer and case data at case creation and closure.
- Look beyond self-help to scale Support and expand efforts to build customer proficiency through training, coaching and skills development.
- Leverage customer interactions and support case data to identify predictive and preventative opportunities.
- Increase investments in issue prevention and coordinate with Engineering to improve product performance and usability.
- Align Support metrics to measure the issues prevented, cases resolved, and relationships retained.

THE STATE OF SUPPORT:

CUSTOMER DEMAND

To meet changes in Customer Support demand, companies must rely on accurate support demand forecasting and establish appropriate funding and staffing levels to achieve desired support outcomes.

Support demand is on the rise, driven in part by companies adding new customers and efforts to proactively engage existing customers to increase user adoption. While COVID-19 is having a profound effect on many aspects of life, work, and the economy, it has had a nominal impact on support demand.

Key Findings

- Overall support demand is growing by 10.6%.
- The largest drivers of support demand are new customers (60%), higher user adoption of product features (50%) and more proactive outreach by Support (41%).
- Proactive customer engagement accounts for more than a quarter (28%) of support interactions and grew by 14% from 2019 to 2020.
- Only a few companies indicated that COVID-19 has impacted demand for support.

In This Section

- The State of Support Demand
- Best Practices for Support Demand Forecasting and Planning
- Key Metrics and Measures

Support Demand is on The Rise

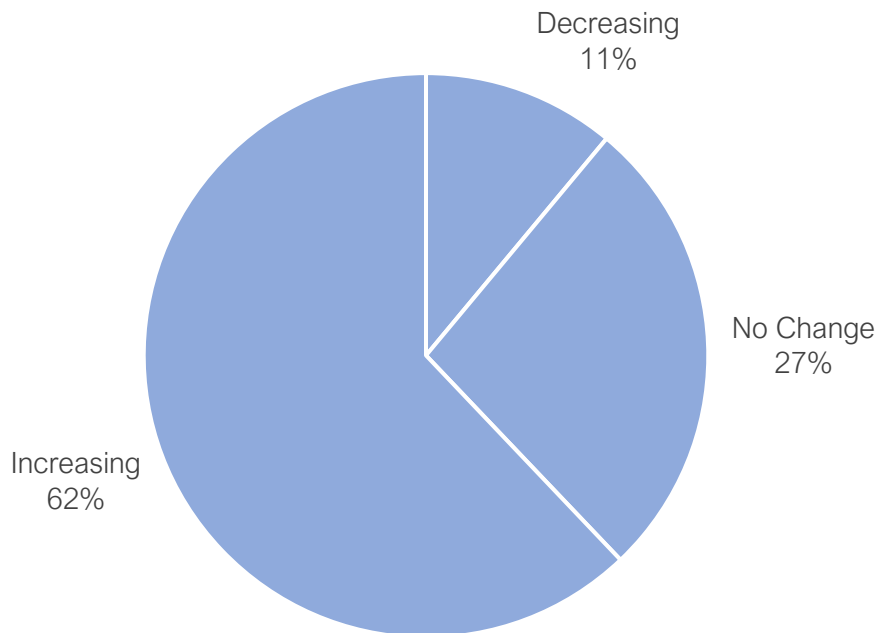
The volume and type of support required by customers often dictates the approach companies use to respond to customer needs.

Support funding and staffing levels driven solely by customer demand are not sufficient to scale Support. Support must increasingly prevent support cases by anticipating customer needs and proactively mitigating underlying issues.

Overall support demand is growing by 10.6% across the technology services industry despite a global pandemic and disruption to normal business operational practices. Not every company experienced growth during this period: 11% of companies indicated a contraction in demand and 27% reported no change from 2019 to 2020.

“Overall support demand is growing by 10.6%.”

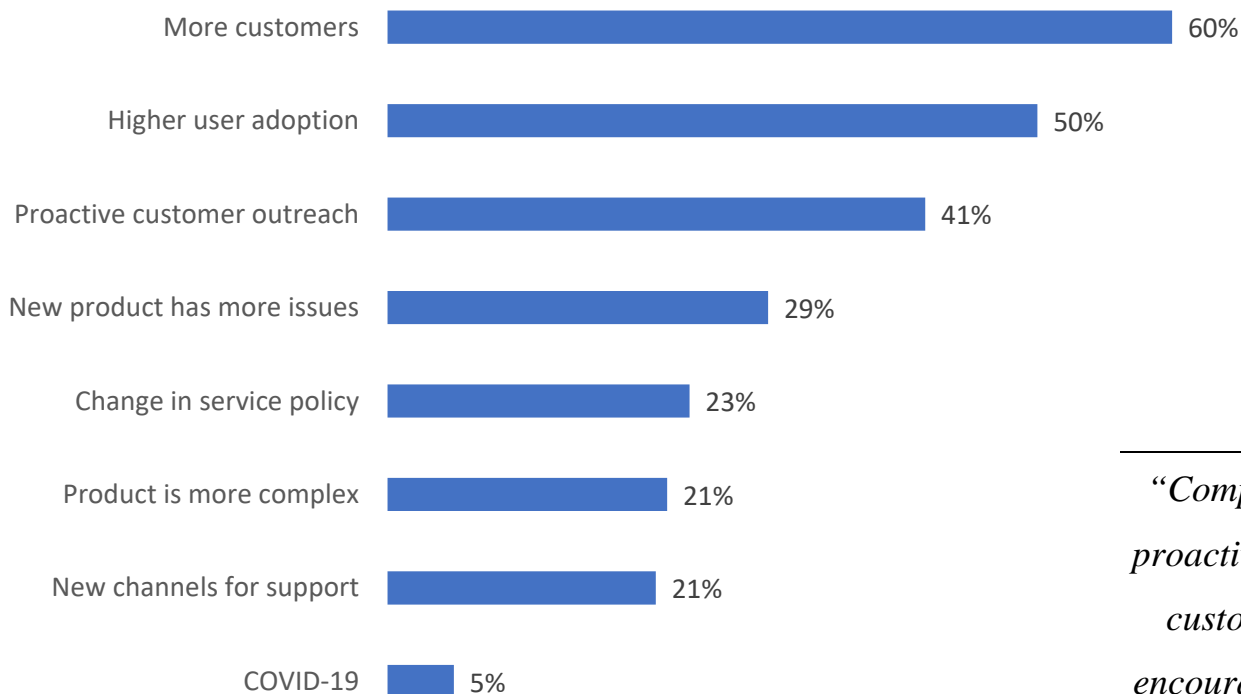
FIGURE 1: CHANGE IN OVERALL SUPPORT DEMAND 2019 TO 2020



Higher Demand from More Proactive Engagement

For companies that report growing support demand, the increase is attributed to adding more customers (60%) followed by higher user adoption of product features (50%) and more proactive outreach by Support (41%). Companies that proactively engage customers and encourage product use and adoption will likely increase demand at a rate beyond what would normally be attributed only to adding more customers.

FIGURE 2: TOP DRIVERS OF INCREASED SUPPORT DEMAND



Multiple responses allowed

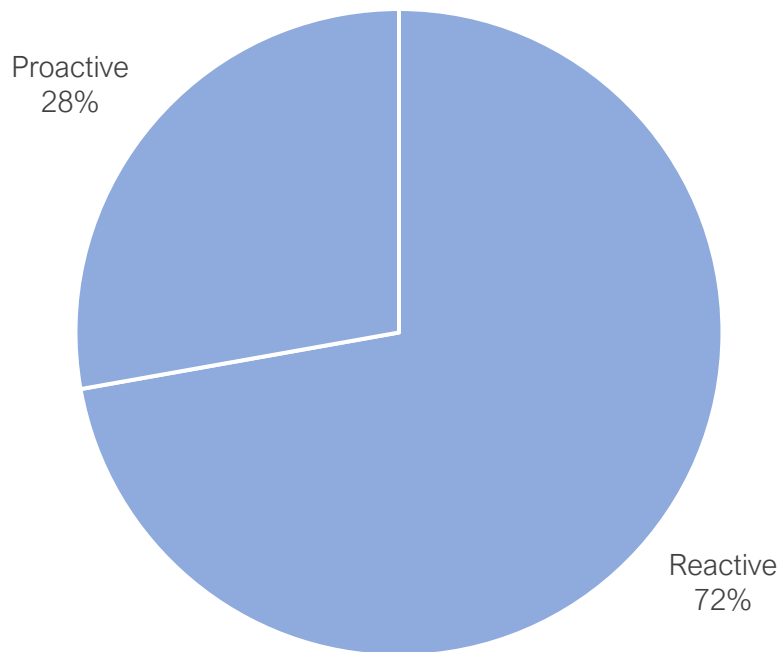
“Companies that proactively engage customers and encourage product use and adoption will likely increase demand at a higher rate.”

Support is Becoming More Proactive

Most Customer Support interactions today are reactive, but proactive support is on the rise. Proactive customer engagement accounts for more than a quarter (28%) of Support interactions and grew by 14% from 2019 to 2020.

Proactive support engagement includes automated and “tech-touch” events including monitoring, alerting, and automated delivery of content, as well as “high-touch” outreach including onboarding, technical account management, skills development, and adoption-related activities.

FIGURE 3: PROACTIVE VS. REACTIVE SUPPORT INTERACTIONS

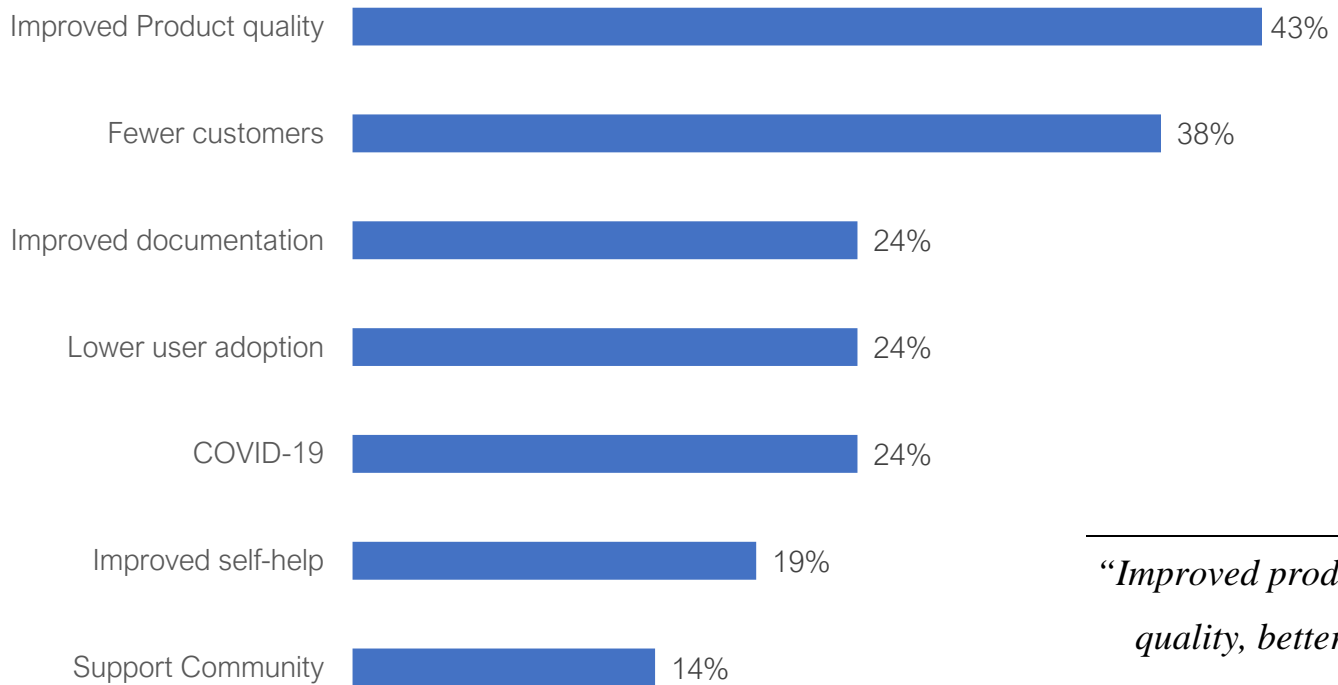


“Proactive support is on the rise and accounts for more than a third (28%) of Support interactions.”

Churn Leads to Lower Demand

The reduction in support demand is related to adverse customer behavior such as customer churn (38%) and lower user adoption (24%) of existing products. Companies also report “positive” reasons for lower overall support demand including improved product quality (43%), better documentation (24%), and expanded access to self-help resources (19%).

FIGURE 4: TOP FACTORS CONTRIBUTING TO DECREASE IN SUPPORT DEMAND



Multiple responses allowed

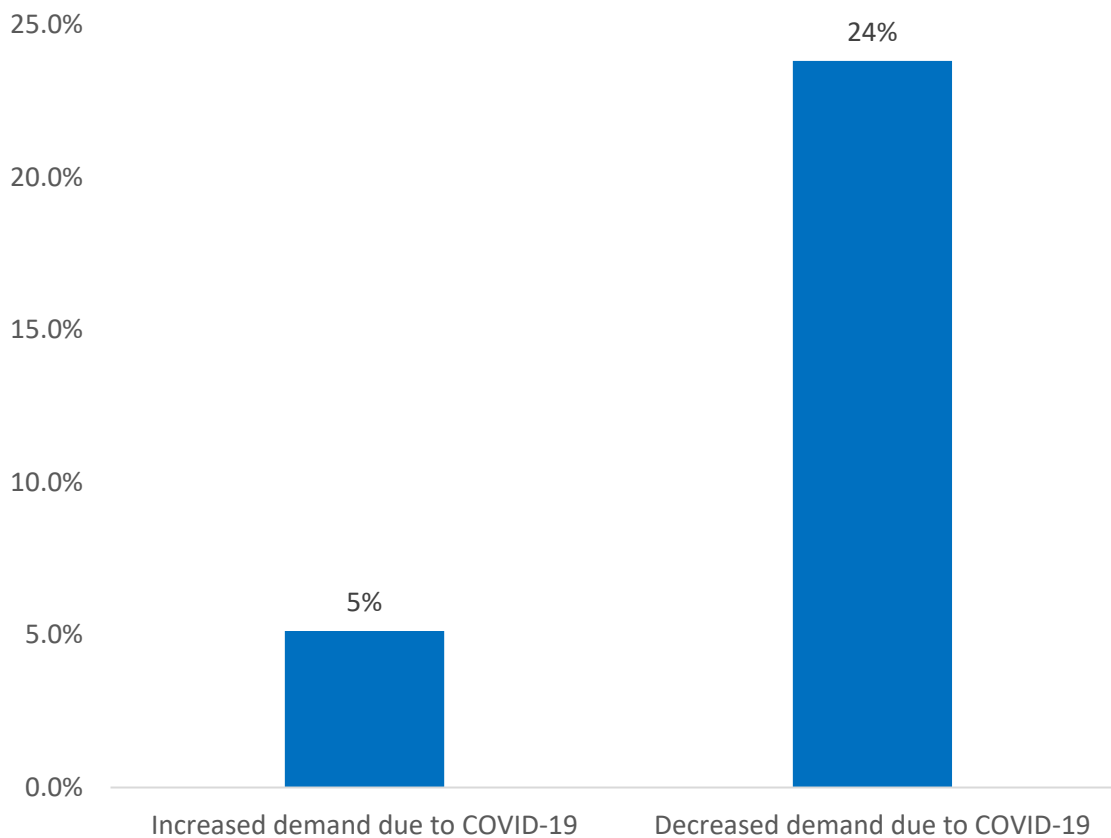
“Improved product quality, better documentation, and expanded access to self-help resources lowers support demand.”

The COVID-19 Effect

COVID-19 has had an impact on the technology industry, and specifically Support functions, by forcing most companies to shift to a remote workforce. Support systems and processes have been adjusted to accommodate new working conditions and Support teams are learning to collaborate and work virtually. On-site customer engagement has been curtailed and new remote engagement is mostly in place.

Of the few companies reporting a decrease in support demand (11%), nearly a quarter (24%) cite COVID-19 as a reason for the decline. Only 5% of companies with increasing support demand attribute it to COVID-19.

FIGURE 5: PERCENT OF COMPANIES REPORTING COVID-19 IMPACT ON SUPPORT DEMAND



“The impact of COVID-19 has been profound, yet it has had nominal impact on support demand.”

BEST PRACTICES:

SUPPORT DEMAND FORECASTING AND PLANNING

Establishing the level of demand and the underlying reasons why customers need Support is essential to establishing and justifying appropriate funding levels, determining staffing needs, and launching initiatives to improve Support outcomes. Consider the following practices to assure that Support is prepared to respond to future customer demand:

Establish a support demand forecast.

Define the rate of growth or contraction of support demand. Consider new sales projections, the rate of existing customer expansion, churn rates, demand expansion factors, and the effectiveness of demand mitigation efforts such as self-help and product quality improvements. Forecasts are most effective when conducted at the lowest possible level of segmentation (e.g., by product type or family, geography, customer type, etc.)

Define service-level objectives.

Determine if changes to service levels are necessary. Consider if response and resolution targets or customer satisfaction objectives need to be modified. Then determine the extent to which changes (up or down) will affect the time, effort, and resources required to meet support demand at adjusted service levels.

Identify demand by key customer segments.

Identify which customer types are generating the most support demand. Create or use established customer segments (e.g., company size, customer spend, customer importance, etc.). Determine if your most valuable customers are getting the support they need.

“Support demand forecasting is essential to justifying funding levels, determining staffing needs, and launching initiatives to improve Support outcomes.”

Understand reasons for increases in support demand.

Establish the top reasons for support demand expansion and determine the effect that top factors will have on driving overall support demand. Consider if new products will offer more complex feature sets; if target customers have the skills required to apply products; or if technical configuration or regulatory environments will increase operational complexity.

Identify opportunities to reduce support demand.

Establish the extent to which improved training, product enhancements, and self-help resources can mitigate anticipated support demand. Identify specific mitigation efforts and forecast the rate of demand reduction.

“What does the business get for the dollars it invests in Support?”

Establish staffing needs.

Determine if current staffing levels and skill sets are sufficient to meet forecasted support demand. Identify gaps in staffing levels or skill levels.

Justify support funding levels.

The rationale for Support funding is determined by the capability or impact companies expect from their investment in Support. The determination for Support funding levels should be predicated on solving for this question: *What does the business get for the dollars it invests in Support?*

Use Support forecast and planned mitigation efforts as the basis for justifying changes to Support funding levels. Pursue funding levels that will meet forecast demand and will provide funding for initiatives to reduce future demand and increase proactive and preventative outreach to customers.

KEY METRICS:

MEASURING SUPPORT DEMAND

The following metrics are commonly used in conjunction with support demand forecasting and planning.

Customer Growth (New Logos)

<i>Definition</i>	<i>Customer Growth</i> indicates net new customers (new logos) added and will provide the basis for forecasting changes to support demand.
<i>Action</i>	Establish the rate that you expect to add net new customers based on product sales forecasts.
<i>Performance Level</i>	Sales forecasts and their effects on customer growth will vary by company, product, and market segment.

Cases per New User

<i>Definition</i>	<i>Cases per New User</i> indicates the average number of expected cases per new user.
<i>Action</i>	Use historic case data to establish the average number of support cases expected per new user to determine the potential growth in support demand volume.
<i>Performance Level</i>	The industry average <i>Case per New User</i> is 4.4.

Expansion

<i>Definition</i>	<i>Expansion</i> indicates the increase in support usage by customers that own your products.	
<i>Action</i>	Support demand may grow when existing customers increase their usage of the products they already own. Demand growth should be forecasted in relation to efforts to drive increased customer use and adoption. The increase in support demand from adoption-focused initiatives will depend upon the extent of adoption and outreach efforts.	
<i>Performance Level</i>	0% to 5%	Little to no growth can be expected with limited formal efforts to drive customer adoption.
	+10%	Higher expansion will result from aggressive efforts to drive adoption.

Contraction

<i>Definition</i>	<i>Contraction</i> indicates the reduction in support usage by customers that own your products.	
<i>Action</i>	Measure the rate that customers disengaged from product use and reduce or stop using support. Support demand will decrease as customers disengage from using your products and/or products reach a level of stability or maturity.	
<i>Performance Level</i>	< 0%	Decrease in support demand due to customer disengagement.

Churn

<i>Definition</i>	<i>Churn</i> measure the rate that customers are lost due to non-renewal.	
<i>Action</i>	Measure the rate that customers are lost due to non-renewal. Churn, a lagging indicator, is typically related to cumulative issues that affected customers' ability to realize value from the products they owned. (Note that churn can also occur due to factors beyond your control, such as customers going out of business or being acquired.)	
<i>Performance Level</i>	Churn rates lower than 3% are optimal. The industry average churn is 10%.	

Support Demand Forecast

<i>Definition</i>	<i>Support Demand Forecast</i> is the expected rate of change in overall support demand.
<i>Action</i>	Forecast the expected change in support demand based on <i>Expansion</i> (New Logos + Adoption) or <i>Contraction</i> (Lost + Disengagement) of the customer base.
<i>Performance Level</i>	Support demand in the technology industry is growing by 10.6% in 2020. Growth or contraction will vary by company.

Support Funding Level

<i>Definition</i>	<i>Support Funding Level</i> is the investment in Support measured as a percent of total revenue.
<i>Action</i>	Calculate the investment in Support as a percent of total revenue required to meet support demand and to fund mitigation and prevention initiatives.
<i>Performance Level</i>	Average <i>Support Funding</i> as a percent of total revenue ranges from 2% to 16%. Support funding levels can vary considerably based on company size and the type of product supported.

THE STATE OF SUPPORT:

ASSISTED DELIVERY

The time, effort, and costs required to provide assisted support make it imperative for companies to find ways to expedite issue resolution and bolster efforts to prevent issues.

Companies offer a variety of channels for customers to request assisted support. These include interactive channels like chat and phone, and passive methods such as e-mail, Support communities, and web case submission. Customers have embraced electronic channels and are relying less on assistance by phone.

Key Findings

- 83.1% of companies offer both phone and electronic channels for support. Only 14.9% offer electronic-only support contact methods.
- Support case submission by web-based form is the top channel used, followed by phone and e-mail.
- Phone support use has declined by 8% as electronic channel use grows.
- The use of chat has grown by 26% while use of e-mail has risen by 24%.
- The reasons customers request support assistance are equally distributed across three primary categories of “How To,” “Bugs or Performance Issues,” and “Installation, Configuration, Setup.”
- Most support interactions are reactive, although proactive engagement is on the rise.

In This Section

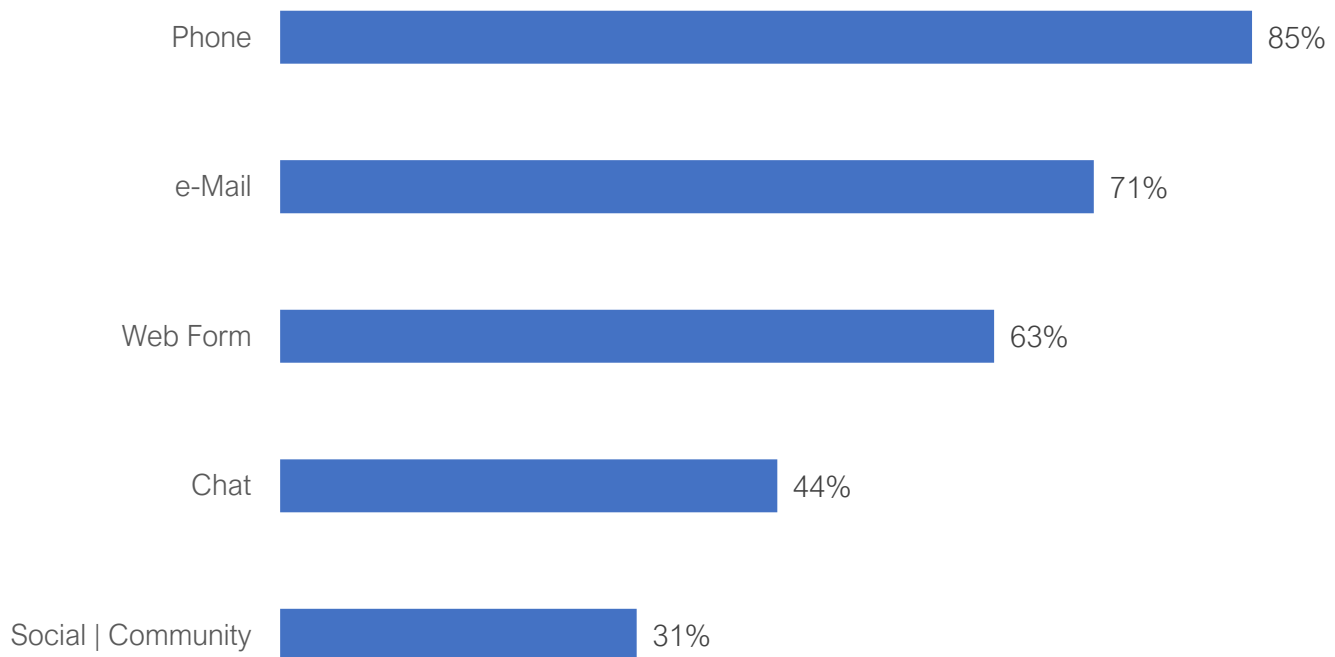
- The State of Assisted Support
- Best Practices for Engaging Customers Through Assisted Support
- Key Metrics for Measuring Assisted Support

A Wide Variety of Support Channels Offered

Companies offer customers a variety of channels to request assisted support, with 64% offering three or more distinct support channels. Nearly all companies offer access to support via phone (85%) and e-mail (71%). Nearly two-thirds (63%) of companies offer the ability for customers to submit cases through a web-based form.

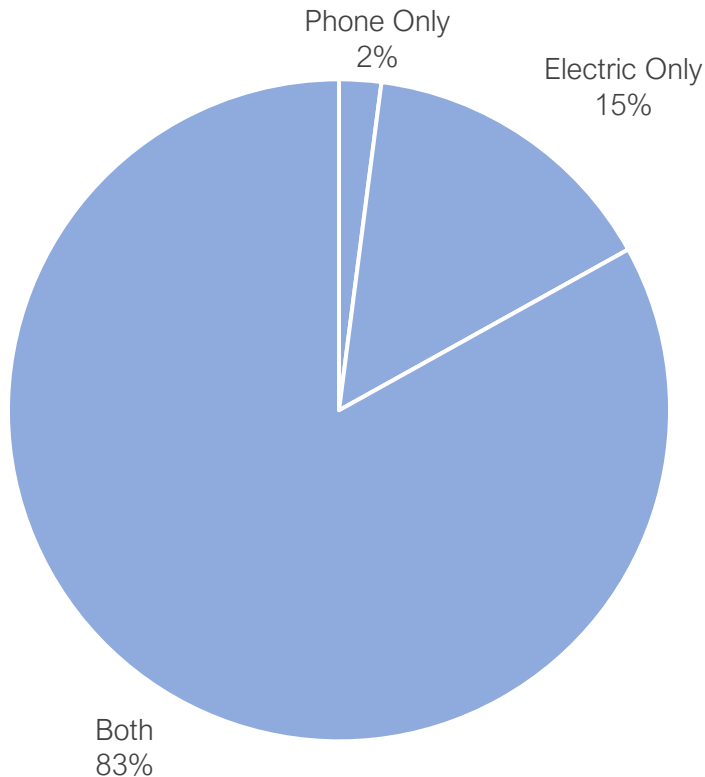
Overwhelmingly (83%), companies offer both phone and electronic channels for support. Few offer phone-only (2%) or electronic-only (15%) support contact methods. Companies are also likely to offer options for both passive (e-mail, support communities, and web case submission) and interactive (chat, phone) methods.

FIGURE 6: ASSISTED SUPPORT CHANNELS OFFERED



Multiple responses allowed

FIGURE 7: ASSISTED CHANNELS OFFERED – PHONE VS. ELECTRONIC



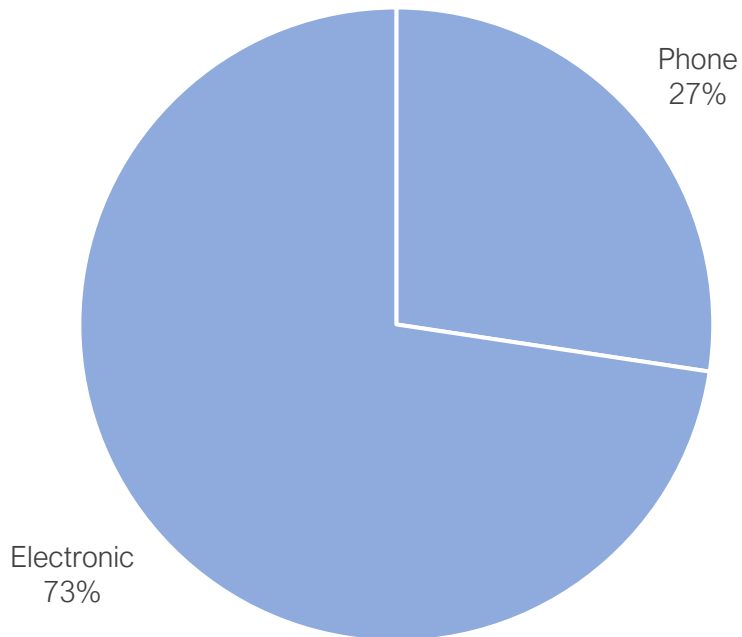
“64% of companies offer omni-channel support with electronic channels like chat and e-mail as a preferred way for customers to request assisted support.”

The Decline of Phone Support, the Rise of Electronic Channels

With such a wide variety of options for requesting assisted support, companies find that customers prefer to use electronic channels (73%) over the phone (27%). From 2019 to 2020, use of phone support has declined by 8% as use of electronic channels has continued to grow. The use of chat has grown by 26% while use of e-mail has risen by 24%.

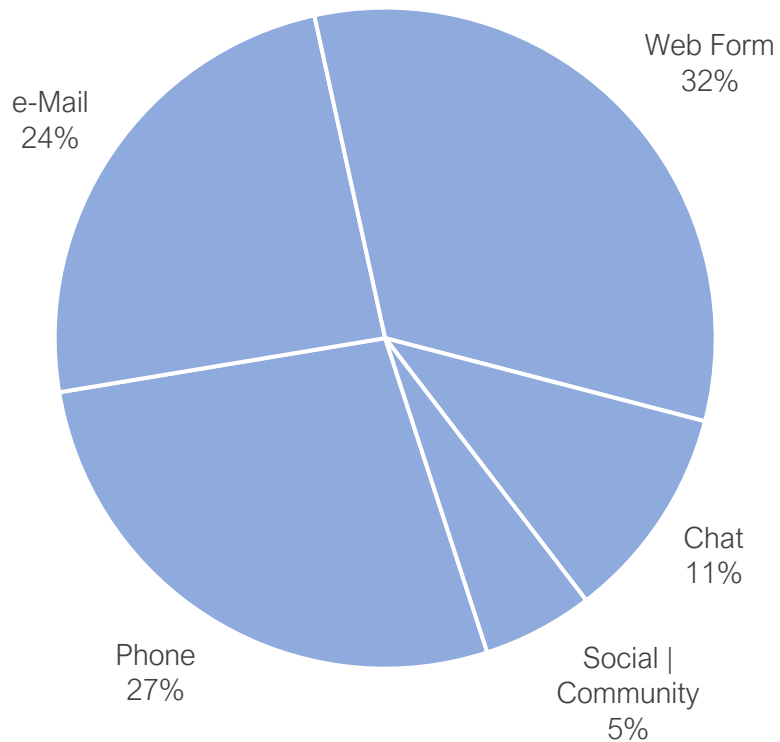
This shift towards electronic channels is driven in part by the convenience for customers to access support through mobile and desktop devices, as well as from within products (46%). The tendency to use electronic channels is also due in part to support entitlements that place some limits on phone support access (e.g. lower levels of support may limit access to electronic support only).

FIGURE 8: PHONE VS. ELECTRONIC ASSISTED SUPPORT CHANNELS USE



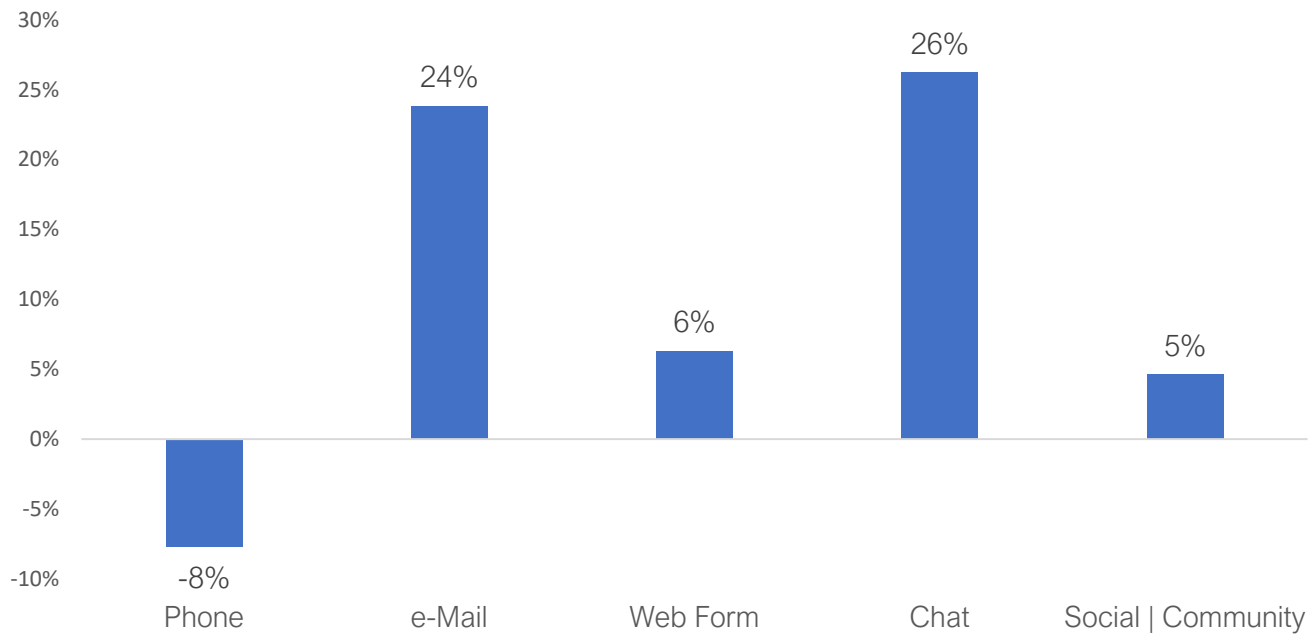
“Companies find that customers prefer to use electronic channels (73%) over the phone (27%).”

FIGURE 9: ASSISTED SUPPORT CHANNELS USE



“Support case submission by web-based form is the top channel used, followed by phone and e-mail.”

FIGURE 10: CHANGE IN ASSISTED SUPPORT CHANNELS USE 2019 - 2020

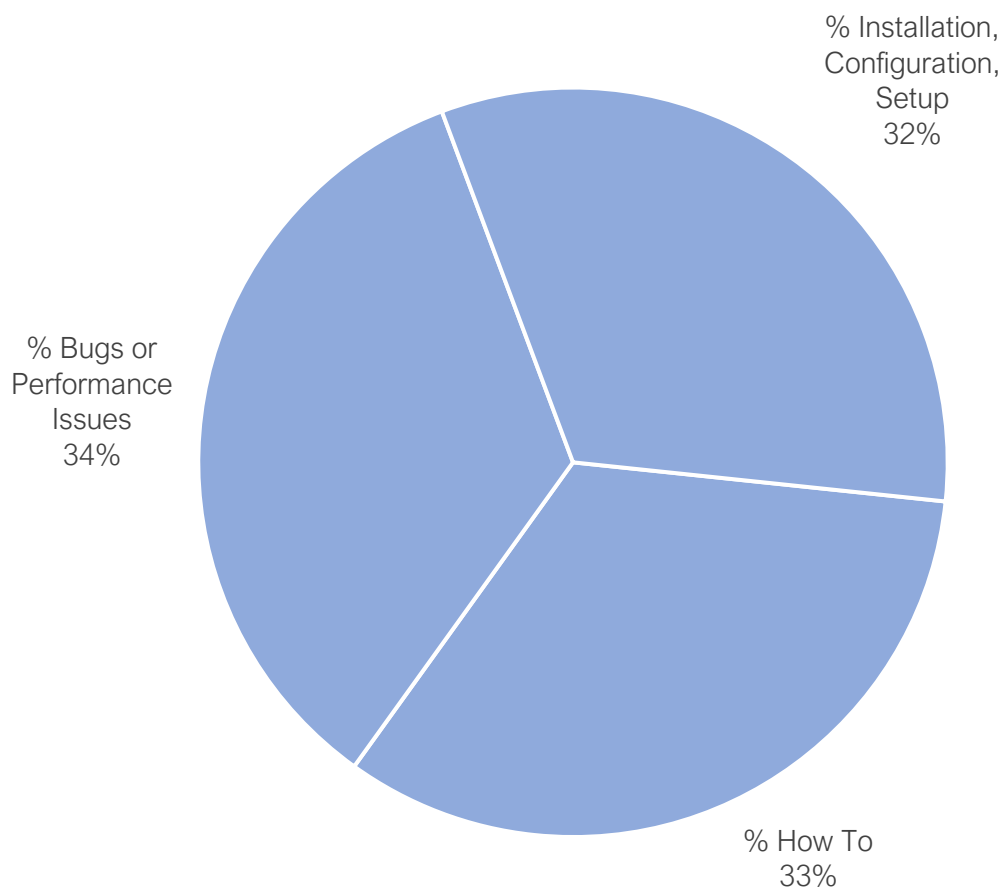


“From 2019 to 2020, use of phone support has declined by 8% as use of electronic channels has continued to grow. The use of chat has grown by 26% while use of e-mail has risen by 24%.”

Adoption and Usage Assistance Are the Primary Drivers of Support Demand

The reasons customers request support assistance is equally distributed across three primary categories of “How To” (33%), “Bugs or Performance Issues” (34%), and “Installation, Configuration, Setup” (32%). These findings align to data developed by ServiceXRG through user-focused research in which end-users indicate that two-thirds of support demand is due to needing help with the adoption and application of products.

FIGURE 11: TOP ISSUES TYPES CUSTOMERS NEED HELP WITH



“Two-thirds of support demand is related to the adoption and application of products.”

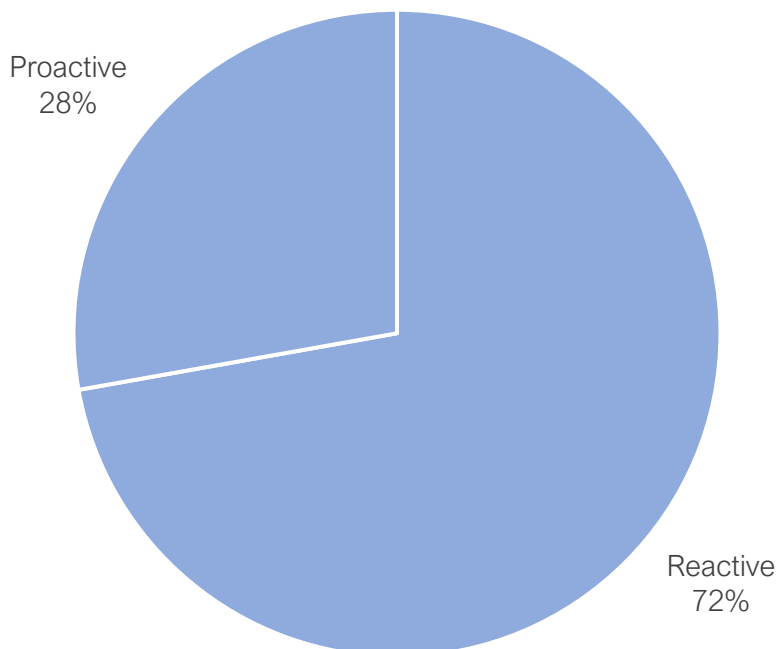
Onboarding and Adoption are the Keys to Support Issue Prevention

Currently, fewer than a third (28%) of companies have proactive engagement efforts in place to help prevent support demand. Proactive support includes formal efforts to onboard customers with planning resources, as well as guidance and expert resources to assist with installation and configuration. Proactive support is also triggered by remote monitoring, alerting, and product “call-home” features.

With nearly a third (32%) of support demand stemming from questions related to installation, configuration, or setup, companies have an immense opportunity to reduce this demand through onboarding and training.

Formal efforts to help customers develop proficiency with products through training, knowledge transfer, best practice guides, and coaching can reduce “how to” questions – another significant source of support demand.

FIGURE 12: PROACTIVE VS. REACTIVE SUPPORT INTERACTIONS



BEST PRACTICES:

ENGAGING CUSTOMERS THROUGH ASSISTED SUPPORT

Making it easy for customers to get help depends upon the channels available to access support resources and request assistance. Many companies offer assistance by phone but there is a clear shift towards electronic channels.

Engage customers proactively with formal onboarding and adoption programs.

Companies that can help customers with formal onboarding and training programs in the early stages of new product adoption are best positioned to mitigate support demand.

Formal onboarding allows companies to proactively engage customers before they need assisted support. Onboarding practices and resources may consist of digitally available “getting started” checklists, best practice guides, or self-paced training (“tech touch”). Onboarding may also include formalized planning, account management, and coaching with onboarding experts (“high touch”).

Offer multiple channels to assisted Support.

Offer support delivery channels that are convenient and accessible to customers. Leverage channels that are most capable of capturing essential case information and are conducive to automation and self-help initiatives.

“Companies have an immense opportunity to reduce assisted support demand through onboarding and training.”

Enable access to support from desktop and mobile devices.

Provide support access from desktop and mobile devices. Optimize the Support experience based on the type of device and leverage unique capabilities of each channel.

Provide direct access to support from within products.

Provide in-product access to support resources including self-help materials and assisted expertise. When possible, align support resources with the context of where a customer needs help. If possible, leverage single sign-on to verify support entitlement and provide access to customer-only support resources and assisted support.

“Make it easy for customers to access support from any device or from within products.”

Reserve interactive channels for time-critical issues.

Encourage customers to use interactive channels such as phone and live chat for situations where issues are severe and time-critical.

KEY METRICS:

MEASURING ASSISTED SUPPORT

It is important to track how your customers engage your Support organization as well as the types of issues they need help with. Consider using the following metrics and measures:

Cases by Channel

<i>Definition</i>	<i>Cases by Channel</i> indicates the proportion of support demand reported by support delivery channels offered.
<i>Action</i>	Track the rate of usage for each assisted delivery channel. Verify that usage and channel adoption are consistent with expectations. If adoption of new channels is lower than expected, evaluate and address reasons for low adoption.
<i>Performance Level</i>	There is no established level of performance for <i>Cases by Channel</i> .

Assisted Issue by Types

<i>Definition</i>	<i>Assisted Issue by Type</i> indicates the proportion of support demand by issue type.
<i>Action</i>	Monitor the types of questions customers ask. Select issue types to inform you about how to best respond or prevent future issues.
<i>Performance Level</i>	There is no established level of performance for <i>Assisted Issue by Type</i> .

Support Access Point

<i>Definition</i>	<i>Support Access Point</i> indicates the channel by which support cases are initiated.
<i>Action</i>	Determine if customers access support from within products, the support web site, or by phone. Distinguish between desktop and mobile device usage. Optimize preferred access methods.
<i>Performance Level</i>	There is no established level of performance for <i>Support Access Point</i> .

THE STATE OF SUPPORT:

CASE MANAGEMENT AND RESOLUTION

Case management remains labor-intensive and largely sub-optimized due to system and process deficiencies.

An assisted case received by Support must contain as much relevant information about the customer need as possible. Complete records make it possible to prioritize and route new cases to the most appropriate resource for evaluation and resolution.

Once the opportunity to prevent or deflect a case has past, companies must respond with expert resources to diagnose and resolve customer issues. Case management and resolution remain labor-intensive activities, although significant progress is being made to introduce automation and collaboration to reduce efforts and improve outcomes.

Key Findings

- More than half of companies continue to use in-house case management systems.
- Nearly half (47%) of cases are submitted with insufficient information to begin meaningful diagnosis and resolution.
- On average, each new case results in two additional interactions between Support and the customer.
- Two-thirds of companies organize Support resources in tiers, with the remainder using a more collaborative, team-based approach.
- 54% of cases on average are closed at first contact with the remainder requiring a “next step” to resolve cases.
- More than a third (35%) of companies organize case resolution resources by team and will collaborate to resolve cases.
- Companies report that collaboration has a positive impact on customer satisfaction and time to resolution.

- Only two-thirds (67%) of companies formally document the circumstances of each case in their ticket management system.
- Fewer than half of companies indicate that knowledge base articles are updated or created when a case is closed.

In This Section

- The State of Case Management and Resolution
- Best Practices for Case Management and Resolution
- Key Metrics and Measurement

Labor-Intensive and Sub-Optimized

New cases do not always have enough information to begin a meaningful diagnosis and resolution without further clarification by customers. As a result, there is a back-and-forth with customers before meaningful case resolution can occur. On average, two customer interactions per case are required to obtain sufficient information to resolve a case.

New cases submitted through interactive channels such as phone and chat reduce the back-and-forth with customers and shift issue discovery to real-time discussions. While this can help drive to a solution with less back-and-forth, it can also tie up Support staff on lower priority issues (and customers). Real-time interactive channels also diminish opportunities to automate prioritization, diagnostics, and routing of cases to the right resources.

Automation is playing a significant role in accelerating time to resolution for issues, but the process of solving cases remains an individual, human-intensive activity. Efforts to expand internal cooperation through team-based swarming and collaboration are increasing, yet hierarchical tier structures continue to be the norm.

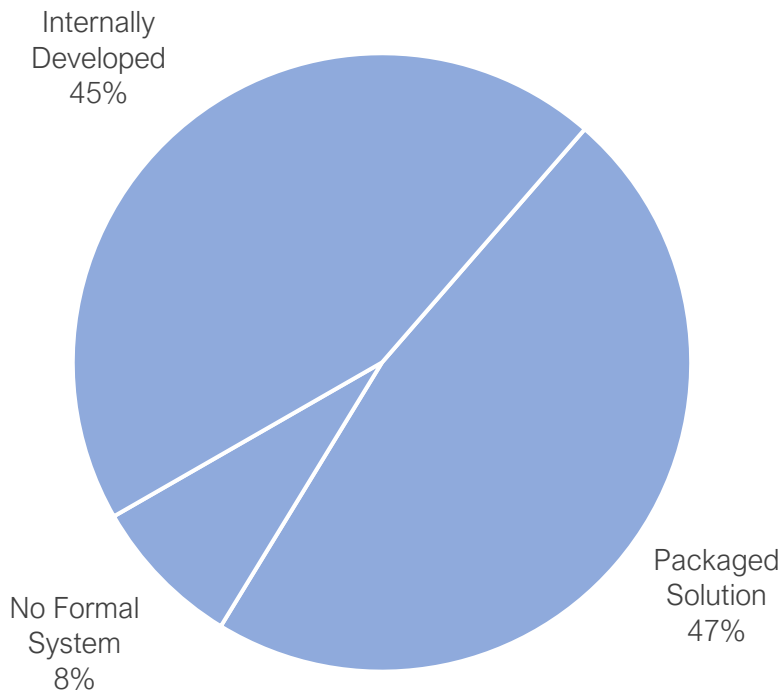
“Electronic cases do not always have enough information, to begin a meaningful diagnosis and resolution.”

Case Management Infrastructure Needs an Upgrade

The foundation for effective case management is a solid technology platform. Only 47% of companies report using a packaged solution for case management. With so many excellent case management platforms available it is surprising to find that half of companies continue to use systems developed internally (45%) or lack a formal case management platform (8%). Home-grown systems can be highly effective for some companies, yet they may also inhibit innovation and efficiency.

The effort and cost to migrate systems can be daunting. However, the lack of an adequate case management platform can reduce the time and efficiency of issues resolution, inhibit process optimization, and limit integration with technologies to help automate case management. The bottom line is that avoiding the cost of migration to a new case management platform may cost far more in the long run.

FIGURE 13: TYPE OF CASE MANAGEMENT SYSTEM USED



“Avoiding the cost of migrating to a new case management platform may cost far more in the long run.”

New Cases are Often Incomplete

Slightly more than half (53%) of cases submitted lack sufficient information to begin resolution activities, triggering a response to the customer to capture more information. The remainder of cases are submitted with sufficient information for Support to begin meaningful diagnosis and resolution.

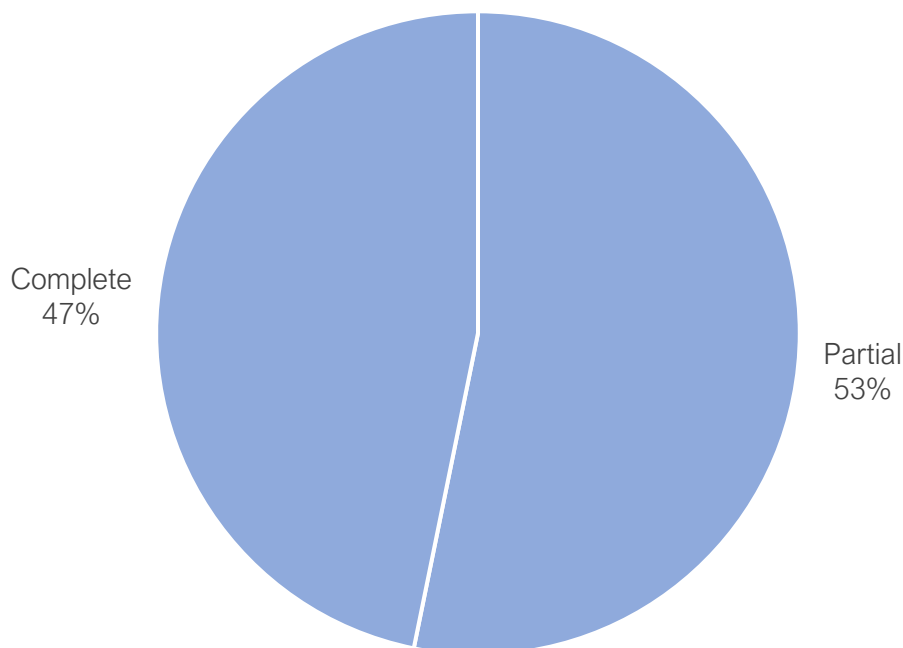
The lack of complete information in new case records can be exacerbated when submissions occur through unstructured mediums such as e-mail and simple web-based forms.

New case records are likely to be complete when captured through interactive channels such as phone, chat, and well-structured web forms.

In addition to slowing the resolution process, incomplete case submissions can also diminish the effectiveness of automated tools that send solution recommendations to customer by e-mail or as case records are created on the web.

“(53%) of Support cases lack sufficient information to begin resolution activities due to the use of unstructured submission mediums.”

FIGURE 14: NEW CASES SUBMITTED WITH COMPLETE INFORMATION



Case Management Automation on the Rise

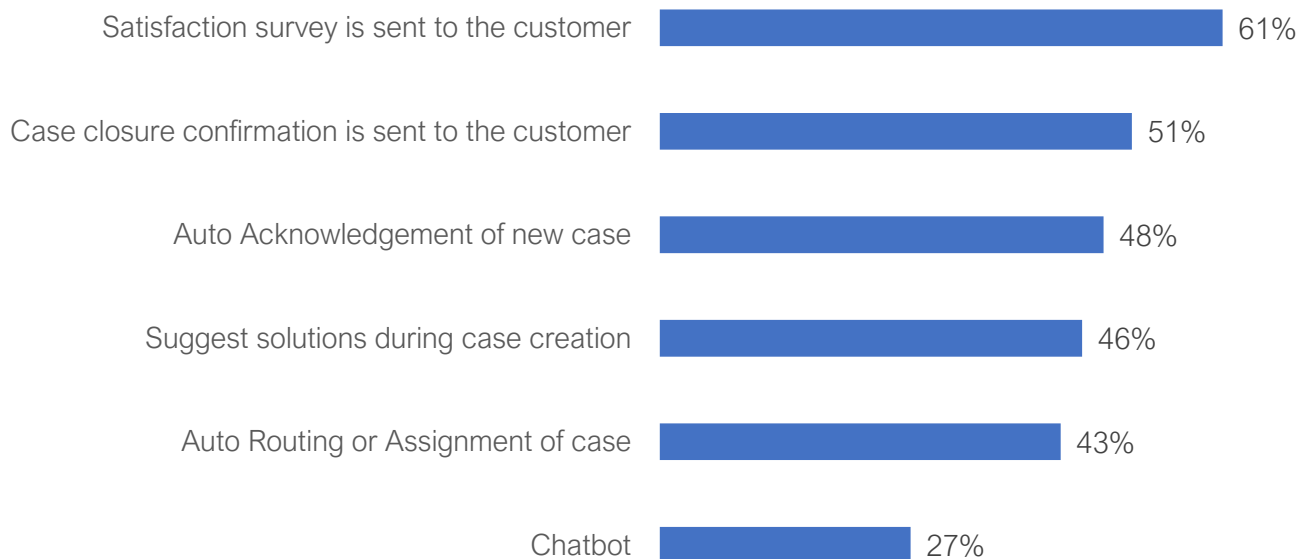
Automation plays an increasingly important role in case management activities. Simple, repetitive, yet important tasks such as sending follow-up transaction surveys (61%), notifying customers when a case is closed (51%), or acknowledging receipt of a new case (48%) can enhance the customer experience without requiring extra time and effort by Support staff.

More sophisticated automation, such as matching and suggesting solutions to customers (46%) as cases are created (web form) or received (e-mail) can help to deflect the need for support assistance. Additionally, the ability to automatically route (43%) new cases to the best qualified individual or team can also help to expedite resolution.

Companies are also introducing intelligent automation into case flow processes to help discover, refine, and resolve customer issues through chatbots (27%), or identify cases that can be automatically closed (28%).

“Automation can help to deflect the need for support assistance and expedite resolution.”

FIGURE 15: CASE MANAGEMENT AUTOMATION USED

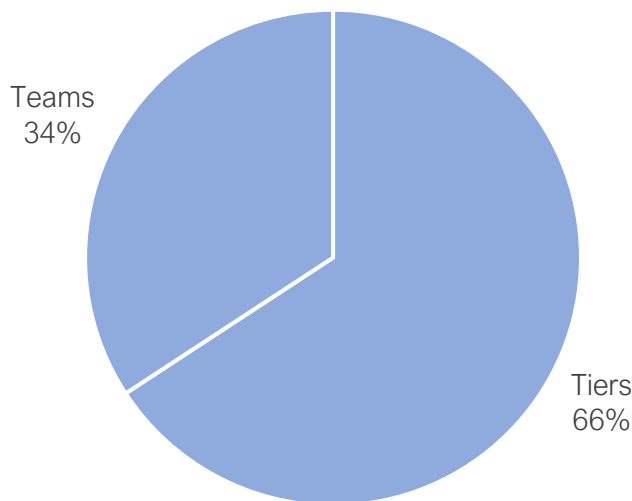


Multiple responses allowed

Tiers and Teams

Automation can help streamline case management, but issue resolution remains a labor-intensive activity requiring skilled product experts. Two-thirds (66%) of companies organize Support resources in tiers, with the remainder using a more collaborative, team-based approach.

FIGURE 16: ORGANIZATION OF SUPPORT STAFF FOR CASE RESOLUTION



“Issue resolution is a labor-intensive activity requiring skilled product experts.”

First Contact Closure

Ideally support cases can be resolved the first time they are presented to Support. For many companies, first contact resolution is elusive and only a few companies (18%) consider first contact resolution to be a top metric.

First contact closure rates vary considerably depending upon numerous factors, including the quality and completeness of the case submitted; the difficulty of the case; and the expertise of the Support representative responding to the case.

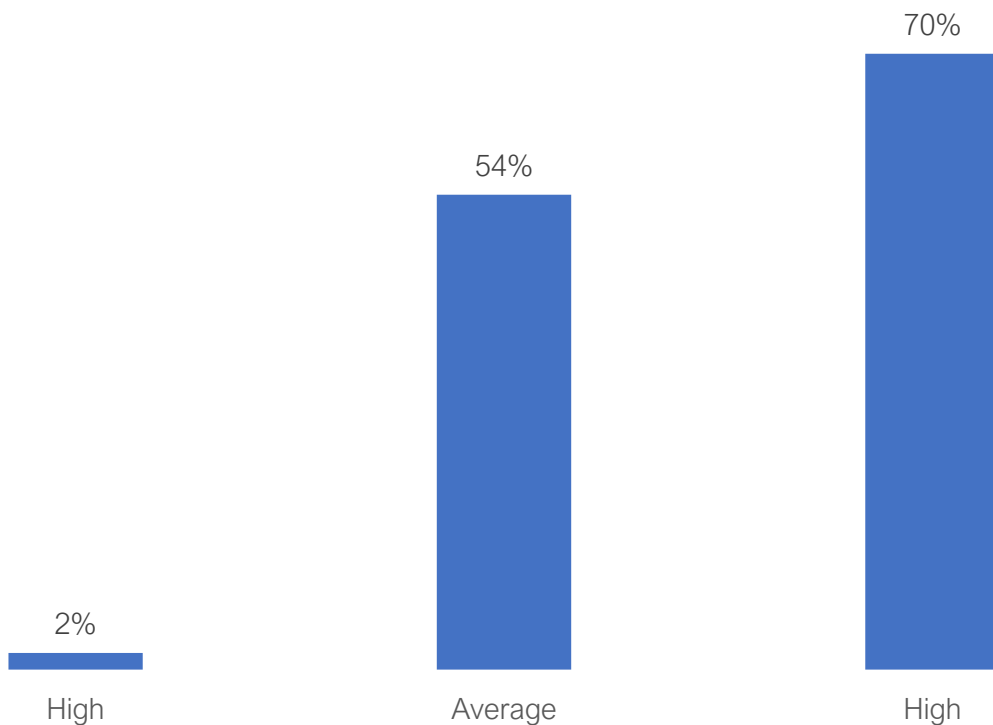
“For many companies, first contact resolution is elusive.”

First contact is also a function of how companies manage case resolution. Many organizations do not subscribe to the notion that a case can or should be resolved during the initial customer interaction. Other companies strive to solve as many cases as quickly as possible, and first contact resolution is the goal.

The average rate of first contact closure is 54%, but depending on an organization's priorities, acceptable performance levels will range from at or near zero to more than 70%. The inability to close a case at first contact closure is a signal to trigger escalation or collaboration for resolution beyond the resource tasked with initial review and resolution.

“The inability to close a case at first contact closure is a signal to trigger escalation or collaboration.”

FIGURE 17: INDUSTRY AVERAGE FIRST CONTACT CLOSURE RATES



For in-depth analysis about First Contract Resolution see: [First Contact Resolution \(FCR\) Benchmarks](#)

Collaborate versus Escalate

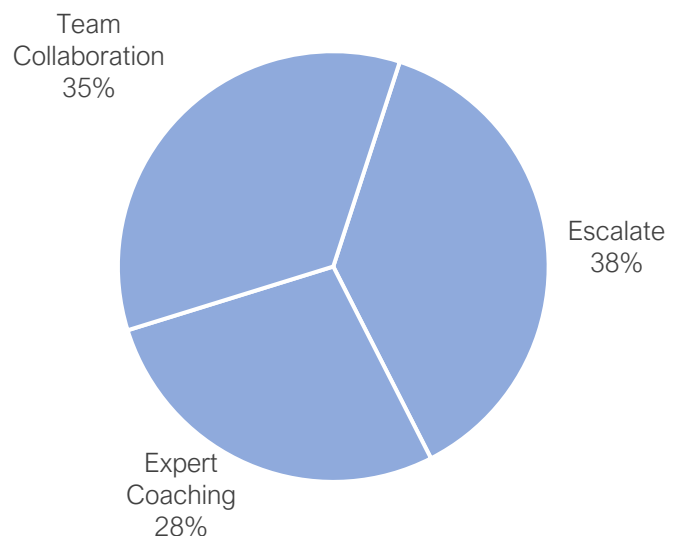
Formal collaboration is on the rise for case resolution even though most companies (66%) continue to maintain hierarchical, tiered organizational structures versus a team structure (34%). Even within tiered structures, collaboration is common. As the use of collaboration rises, traditional escalation of Support cases persists.

When a case cannot be resolved by the initially assigned Support representative or team, the next logical action for resolution is triggered. For most companies, nearly half (46%) of all new cases require a “next step” to resolve cases. Next steps typically fall within one of the following three categories:

- **Escalate** – More than a third (38%) of companies will escalate a case when it cannot be resolved at first contact. In this scenario the original case owner will transfer responsibility for issue resolution to a higher-level tier.
- **Expert Coaching** – A quarter of companies use a hybrid approach to issues resolution, in which experts will coordinate with the original case owner to assist with resolution. Ownership may remain with the originally assigned resource, or transfer to a higher-level tier. This hybrid approach combines collaboration with traditional escalation.
- **Team Collaboration** – More than a third (35%) of companies organize case resolution resources by team and will collaborate to resolve cases. Ownership aligns to a specific team, although an individual may be assigned specific tasks or responsibilities to drive issue resolution.

“Collaboration has a positive impact on customer satisfaction and improves time to resolution.”

FIGURE 18: ACTIONS TAKEN WHEN CASES CANNOT BE RESOLVED

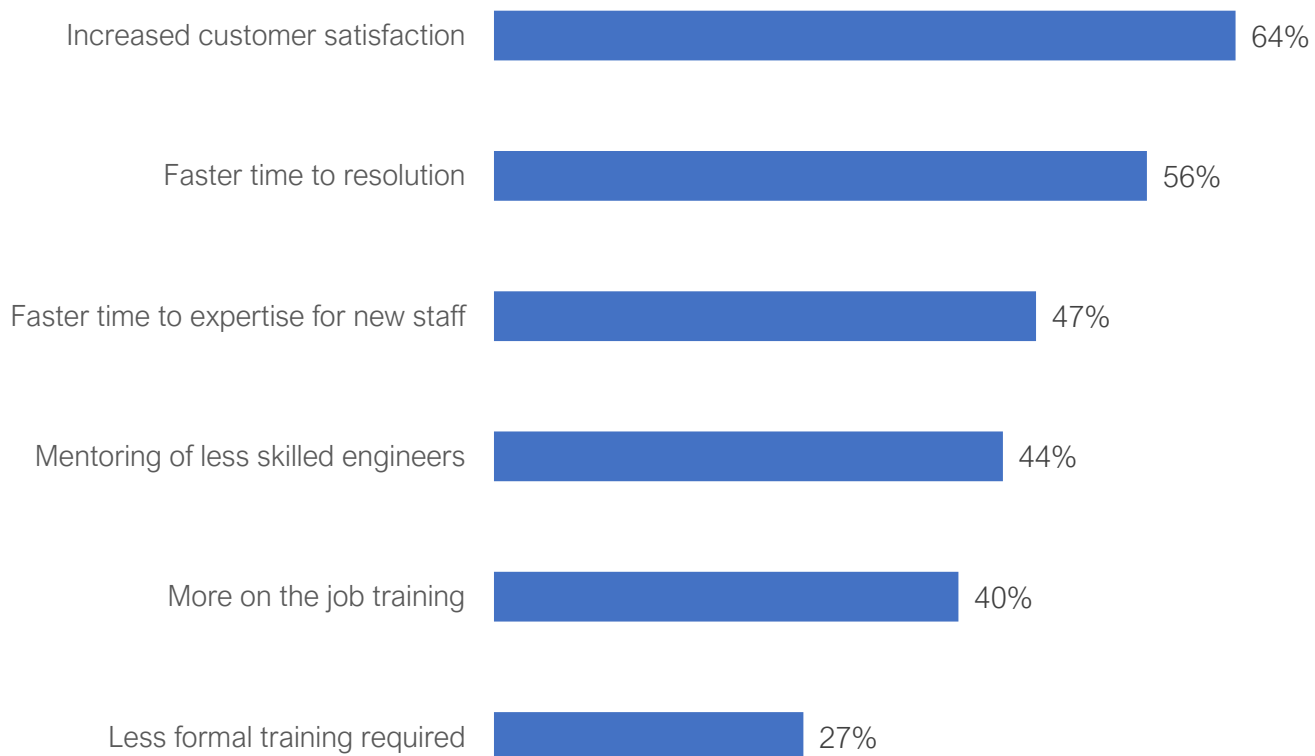


Collaboration Drives Satisfaction and Fast Resolution

The use of collaboration helps focus expert resources on customer issues early in the resolution process, in hopes of achieving a faster time-to-resolution without adding to the unresolved case backlog.

Nearly two-thirds (64%) of companies report that collaboration has a positive impact on customer satisfaction, and more than half (56%) report that it improves time to resolution. Nearly half of companies report that collaboration has a positive impact on skills development of new staff, with a quarter indicating that collaboration helps to reduce the amount of formal training required by new staff.

FIGURE 19: THE BENEFITS OF CASE RESOLUTION MANAGEMENT



Multiple responses allowed

Poor Case Closure Practices = Missed Opportunities

More than 90% of the time and effort spent on case management and resolution goes into issue determination and formulation of a response to the customer. As a result, this leaves little time for some of the most important actions necessary to improve the efficiency and effectiveness of Support: advancing product quality and innovation and retaining and expanding customer relationships.

Only two-thirds (67%) of companies formally document the circumstances of each case in their ticket management system. Even then, compliance to completely fill in case record details is lower than 50%. These incomplete case records diminish Support's ability to identify root causes of support demand and plan mitigation efforts such as enhanced self-help, product improvements, and training.

Only 42% of companies indicate that a knowledge base article is updated or created when a case is closed. The fact that a case was submitted by a customer indicates that there may be a need for information to possibly prevent future support cases from being submitted or help expedite resolution of a case by sharing knowledge among Support team members.

The time and effort to capture what is learned during the management and resolution of a support case may seem untenable and an added cost that Support cannot afford. But the missed opportunities and long-term costs are far higher when insights from customer interactions are not fully documented and analyzed.

*“Support spends
too little time
advancing product
quality and
retaining customer
relationships.”*

FIGURE 20: ACTIONS TAKEN AFTER CASE IS CLOSED

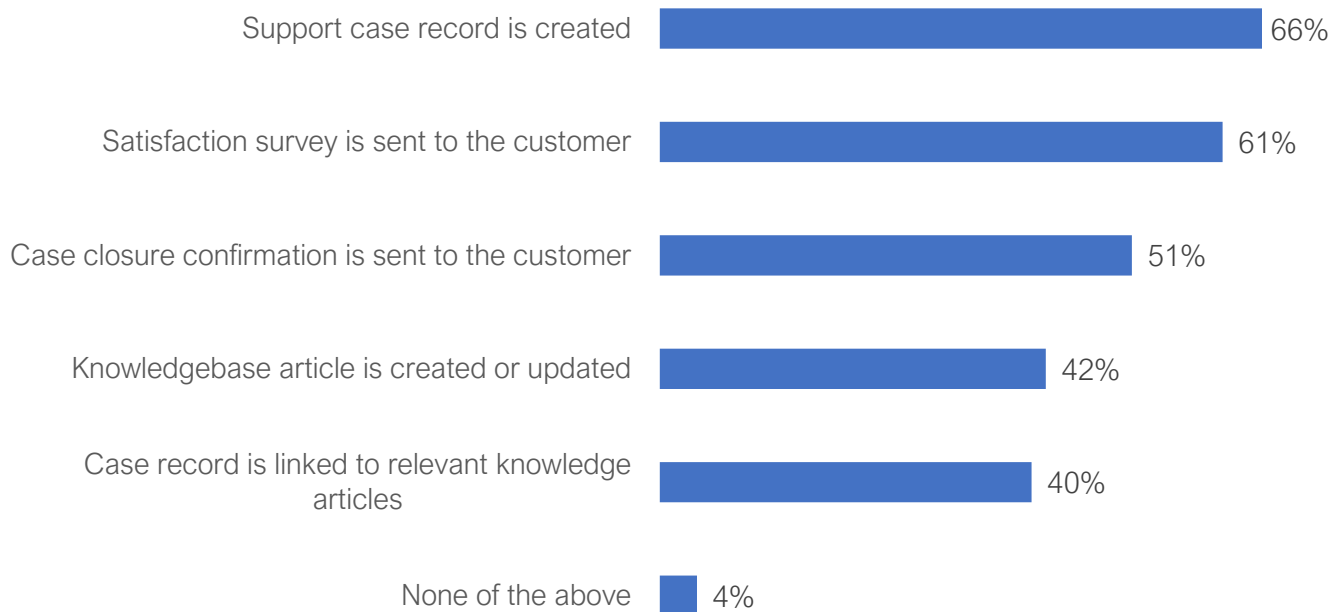
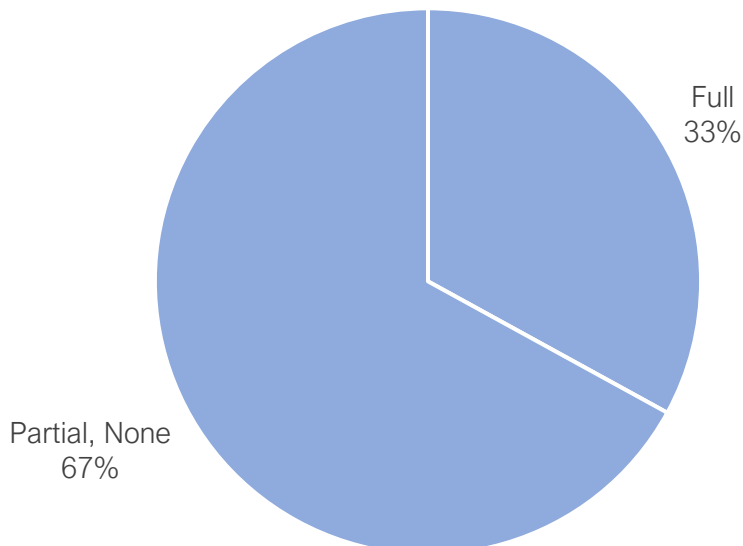
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FIGURE 21: EXTENT TO WHICH CASES ARE DOCUMENTED UPON CLOSURE



BEST PRACTICES:

CASE MANAGEMENT AND RESOLUTION

From case open to closure, case management and resolution processes must be efficient and effective.

Capturing complete case records at the time of case creation is imperative and automation must be used wherever possible to streamline case management.

Upon case closure, time must be invested to fully document the relevant circumstances of the case so that preventive opportunities can be realized. Consider the following best practices for case management and resolution:

Apply structured data collection to assure that submitted cases are complete.

Leverage processes and tools to assure that new cases submitted include all information required to begin meaningful issue diagnosis and resolution. Use structured data collection tools such as web-based forms and conversational chatbots. Discourage use of unstructured case submission channels such as e-mail.

Encourage adoption of web-based case submission.

Electronic submission of new cases using structured web-based form is more conducive to automation. Create opportunities for customers to submit support cases through web forms and incent customer adoption of this channel by providing enhanced service levels or other incentives.

“Use structured Support channels to capture complete case records at the time of case creation.”

Apply intelligent automation to triage and routing of new cases.

Automate routing of new cases based on case attributes such as customer relationship value, service entitlement, health level, or severity of issue reported. Route cases to the best-qualified individuals or team for triage or resolution.

Deflect as cases are created.

Attempt to resolve issues as customers create new cases. As customers enter details into a web-based case submission form, provide recommended knowledge articles to match the information provided.

Collaborate.

Leverage team-based collaboration to resolve issues by bring the right experts together.

Leverage case closure automation.

When closing cases, automate key processes including customer notifications and follow-up transaction surveys.

Completely document closed cases.

When cases are closed, assure that relevant data attributes and circumstances of the case have been captured.

Trigger knowledge process upon case closure.

When new cases are submitted, encourage the capture of new knowledge or updates to existing knowledge resources to improve the likelihood of future case deflection.

“Use automation wherever possible to streamline case management and speed resolution.”

“Long-term support costs are far higher when insights from customer interactions are not fully documented, analyzed and acted

”

KEY METRICS:

RESPONSE, ESCALATION, COLLABORATION AND RESOLUTION

Case management is the most costly and time-consuming support process. It is critical to monitor all aspects of case management to identify efficiencies and opportunities to reduce support demand through product improvement, self-help, and skills development for Support staff and customers.

Case Completeness

<i>Definition</i>	<i>Case Completeness</i> measures the rate of new cases that contain sufficient information to begin meaningful diagnostics and resolution of a case.
<i>Action</i>	Track the percent of cases that have enough information at initial customer contact to begin issue resolution. Implement policies and process to increase the rate of <i>Case Completeness</i> .
<i>Performance Level</i>	In 2020 47% of cases had sufficient data to begin meaningful issue resolution. The rate of Case Completeness should be greater than 80%.

Customer Interactions Per Case

<i>Definition</i>	<i>Customer Interactions Per Case</i> measures the number of interactions needed to close a case.
<i>Action</i>	When cases are not submitted with complete information, a back-and-forth with the customer to collect additional information will slow time to resolution and increase both the cost of resolution and customer frustration. Monitor the number of interactions required to close each case. Identify opportunities to reduce the number of interactions per case.
<i>Performance Level</i>	The average case requires more than two interactions to capture complete information.

First Contact Resolution

<i>Definition</i>	<i>First Contact Resolution (FCR)</i> indicates the rate that new cases can be closed during the initial interaction with a customer.
<i>Action</i>	For in-depth analysis and detailed recommendations for optimizing FCR see: First Contact Resolution (FCR) Benchmarks .
<i>Performance Level</i>	FCR will vary considerably by the type and complexity of product supported. <i>The industry average first contact resolution rate is 54%.</i>

Escalation Rate

<i>Definition</i>	The <i>Escalation Rate</i> indicates the number of cases not closed at first contact that require escalation to another team, tier, or department. Escalation implies transfer of responsibility for case management and issue resolution.
<i>Action</i>	Monitor the rates that cases are escalated between individuals, teams, and departments.
<i>Performance Level</i>	Escalation rates vary considerably by the type and complexity of product supported. The industry average rate of escalation is 47%.

Collaboration Rate

<i>Definition</i>	<i>Collaboration Rate</i> indicates the number of cases that require cooperation between Support team members. Collaboration, unlike escalation, does not imply transfer of ownership or responsibility for a case. A case may involve collaboration, but not escalation.
<i>Action</i>	Measure the number of cases that require collaboration to resolve issues. Correlate to <i>Time to Resolution</i> and <i>Total Effort to Resolve</i> to establish how much total effort is expended and to determine if collaboration helps to speed resolution.
<i>Performance Level</i>	On average, 75% of cases require some form of collaboration during the resolution process.

Time to Resolution

<i>Definition</i>	<i>Time to Resolution (TTR)</i> measures the elapsed time from when a case is open until it is closed.
<i>Action</i>	Capture the elapsed time from when a case is open until it is closed. For additional insights see Time To Resolve (TTR) .
<i>Performance Level</i>	The time to resolve a case varies dramatically by the type of product and complexity of the reported issue. The average time to resolve a case is 28 hours elapsed from the time the case is open until it is closed.

Total Effort to Resolve

<i>Definition</i>	<i>Total Effort to Resolve</i> a case is a measure of the cumulative hours invested by all parties that work on a case.
<i>Action</i>	Monitor time and effort expended by all individuals involved with the resolution of a case during collaboration and/or escalation. Determine total cost to close cases. Identify opportunities to reduce time and effort required to close cases.
<i>Performance Level</i>	There is currently no standard benchmark for <i>Total Effort to Resolve</i> .

Case Record Completion

<i>Definition</i>	<i>Case Record Completion</i> measures the rate that closed cases contain <i>minimally required</i> information to describe the circumstances of a case.
<i>Action</i>	Define the <i>minimally required</i> information necessary to describe the circumstances of a closed case including – the reason a customer needed support, the type of issue reported, solution to the case. Assure that policies exist to require capture of minimally required information at case closure and monitor the rate that closed cases capture minimally required information.
<i>Performance Level</i>	A third of closed cases contain complete details describing the circumstances of the case. All closed cases (100%) should contain sufficient information about the case.

New vs. Known

<i>Definition</i>	<i>New vs. Known</i> establishes the number of new cases submitted that relate to topics that are well documented in the Support knowledge base, product help, or documentation (Known) or cases that are not currently documented (New).
<i>Action</i>	Tag all closed cases with an indication of the top is New or Known. Examine cases tagged as “Known” topics to identify deficiencies in customers’ ability to find or understand already-documented information. Evaluate cases tagged as “New” as opportunities to create new self-help content and/or updates to product documentation.
<i>Performance Level</i>	There is no standard benchmark for <i>New vs. Known</i> topics.

Knowledge Action

<i>Definition</i>	<i>Knowledge Action</i> measure the number of cases closed that trigger a knowledge action in the form of a new knowledge article being created or an existing article being modified.
<i>Action</i>	Track the number of cases closed that trigger a knowledge action. Implement policies to assure that appropriate knowledge actions occur when new or updated knowledge is learned.
<i>Performance Level</i>	The rate that a new knowledge article is linked (known), updated, or created is 42% industry-wide.

THE STATE OF SUPPORT:

PREVENTION, PROFICIENCY, SELF-HELP, AND AUTOMATION

The future success of Customer Support relies on the ability of Support to scale to meet growing demand and fulfil an expanded, success-focused mission.

Support must scale. The influence of success principles and the shift to personal and proactive support is inescapable. The growth in support demand and increasing emphasis on proactively engaging more customers may be alarming to companies that are already struggling to keep pace with current demand.

Key Findings

- Companies use multiple initiatives to scale Support but most issues-prevention efforts lack maturity and measurable impact.
- Self-help is the most widely used strategy to reduce support demand.
- Of the many (87%) companies that offer a searchable knowledge base as the cornerstone of their self-help initiatives, 71% report that users must login for access.
- In 2020, self-help deflection dropped 3.7% industry-wide to an average of 19.8%.
- Support and Engineering have a *de facto* relationship but it is most often focused on issues resolution rather than issue prevention.
- Only half (51%) of companies have formal escalation procedures from Support to Engineering.
- Formal onboarding is one of the most effective efforts to build customer skills, yet it is used by fewer than a third (31%) of companies.

In this Section

- The State of Support Issue Prevention and Self-Help
- Best Practices for Scaling Support
- Key Metrics and Measures

Four Imperatives for Scaling Support

The ability of Support to scale to meet new demand and take on high-value customer engagement activities means that companies will need to increase investment in one or more initiatives related to issue prevention, self-help, automation, or building customer proficiency. A diversified approach with initiatives that address multiple opportunities to scale Support is most effective.

There are four strategic imperatives for scaling Support:

Prevention

Support must take the lead in identifying the root causes of support demand and aggressively advocate for mitigation of these circumstances. Support must work with Engineering groups to improve product performance and usability issues and work across the company to promote effective customer onboarding and skills development activities.

Self-Help

Support teams represent a repository of product expertise and must work to make their knowledge available to customers. Many new support cases can be avoided if customers are able to access the knowledge and expertise of Support. Transferring knowledge to customers to help them become more self-sufficient should be high on the list of strategic imperatives for all Support organizations.

Proficiency

Companies need to look beyond just helping customers help themselves and consider how they can build customers expertise so they can use and apply products more competently. Proficiency will require companies to move beyond a reliance on self-help-focused strategies and invest in building the foundational technical and business skills customers need to apply products successfully.

Automation

Support has always been a labor-intensive function that relies on the skills of product experts. Support cannot scale based solely on human power.

“Support must take the lead in identifying the root causes of support demand and aggressively advocate for mitigation of these circumstances.”

Automation is imperative and creates opportunities to:

- Learn from customer interactions and prevent issues before they have a negative impact.
- Push knowledge to customers when or before they need it.
- Provide answers to customers by the best qualified expert, whether human or bot.

Scaling Support Requires A Multifaceted Approach

The three most effective approaches to scaling Support are improving product quality, developing customer skills, and offering access to self-help resources. The most effective overall strategy for scaling Support is to use a combination of approaches.

Most companies use three or more distinct approaches to reduce support demand. These include efforts to prevent support demand (78%), customer skills and proficiency development (69%), automation (67%) and providing access to comprehensive self-help tools and resources (94%). Few companies rely on a singular strategy for Support demand reduction.

“The three most effective approaches to scaling Support are improving product quality, developing customer skills, and offering access to self-help resources.”

FIGURE 22: TOP STRATEGIES TO SCALE SUPPORT AND REDUCE DEMAND

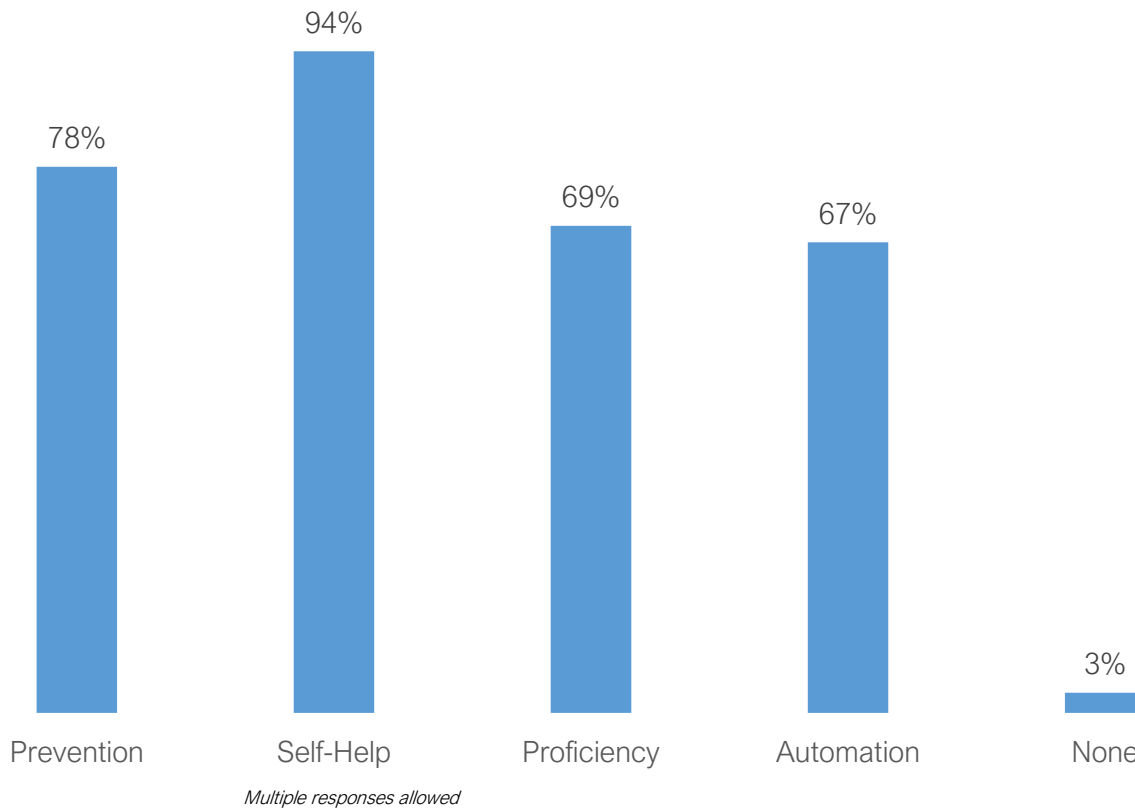


FIGURE 23: THE MOST EFFECTIVE APPROACHES TO SCALING SUPPORT



Initiatives to Help Scale Support Are Widespread But Lack Maturity

Efforts to scale Support are widespread across the industry, yet the maturity level of these efforts varies dramatically. Many companies possess relatively mature issue prevention and self-help initiatives, while fewer companies have well-developed automation and proficiency development efforts.

The following grid introduces four primary approaches to scaling Support and the relative maturity of each, with examples of market-leading capabilities.

Indicators reflect the extent to which specific practices are used by market leaders, typical companies, and those training industry-standard practices.

Practice Maturity

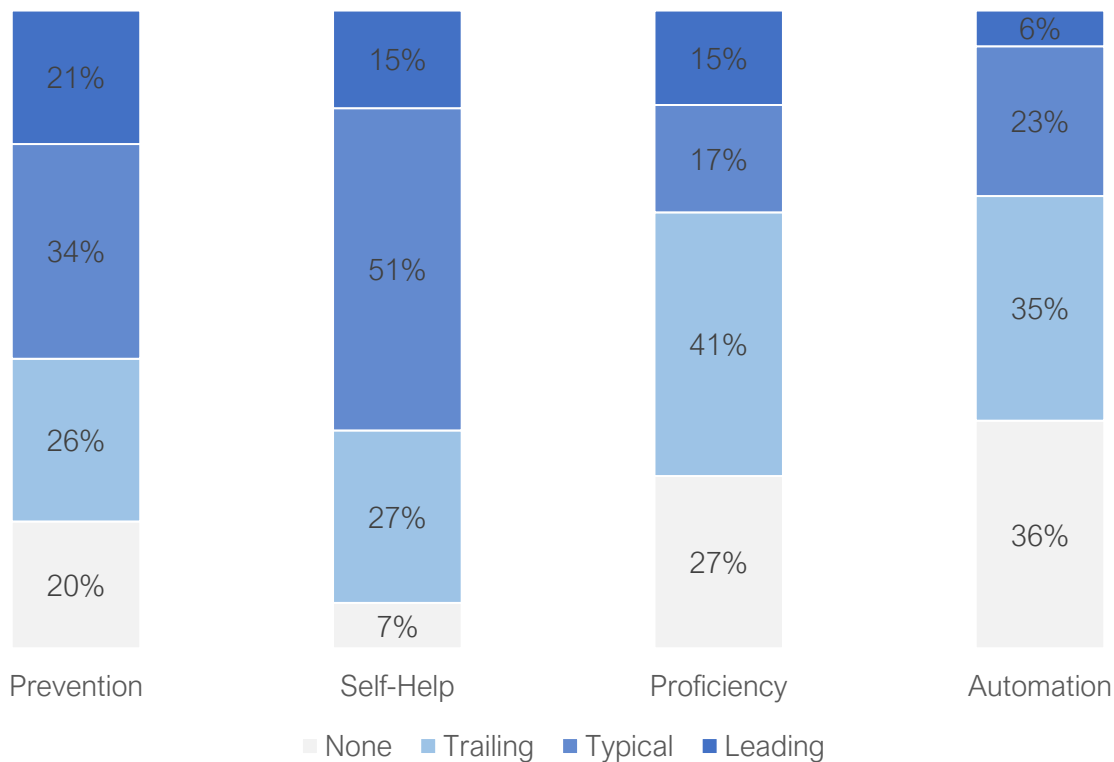
- Always – Practice or capability is always offered or used.
- Often – Practice or capability is often used or offered.
- Sometimes – Practice or capability is sometimes used or offered.
- ⊗ Never – Practice or capability is never used or offered.

“Companies have relatively mature issue prevention and self-help initiatives, but automation and proficiency development efforts lag.”

TABLE 1: MATURITY OF SUPPORT SCALABILITY INITIATIVES

	Leading	Typical	Trailing
Prevention			
Systems are capable of self-healing	●	⊗	⊗
Remote system monitoring and alerting provided	●	●	⊗
Well-defined escalation path from Support to Product Engineering	●	●	●
Integration exists between Support case tracking and Product Engineering bug-tracking systems	●	●	●
Service level agreements in place between Support and Product Management	●	●	⊗
Availability of updates and patches	●	●	●
Automated updates and patch management options	●	●	●
Self-Help			
Up-to-date knowledge base of solutions to common customer issues available to customers	●	●	●
Enhanced search and discovery capabilities available to help customers find answers	●	●	⊗
Formal knowledge management processes in place to create / update knowledge base content	●	●	●
Documentation, release notes, getting started guides, help files available	●	●	●
Repository of best practice guides, examples, templates, etc. available	●	●	●
Tools and utilities to assist with issue diagnostics and resolution available	●	●	⊗
Active user community to facilitate peer-to-peer issues resolution and sharing of best practices exists	●	●	●
Self-paced training provided	●	●	●
Recorded webinars and videos available	●	●	●
FAQs	●	●	●
Proficiency			
Formal onboarding procedures defined	●	●	●
Onboarding guides provided	●	●	●
On-demand live coaching available	●	●	●
Account management available	●	●	●
On-demand training and skills development available	●	●	●
In-class and virtual training programs available	●	●	●
Defined learning paths established	●	●	●
Skills inventory and assessments tools and services offered	●	●	⊗
Proficiency assessments and skills certification standards defined	●	●	⊗
Automation			
Use of conversational chatbots for issue diagnostics and case routing	●	●	⊗
Ability to match and present available solutions to newly submitted cases	●	●	⊗
Intelligent routing of new cases to best-qualified Support resources	●	●	⊗
Identification of “at risk” customers	●	●	⊗
Ability to automate Support workflows	●	●	●

FIGURE 24: MATURITY OF SUPPORT SCALING AND PREVENTION INITIATIVES



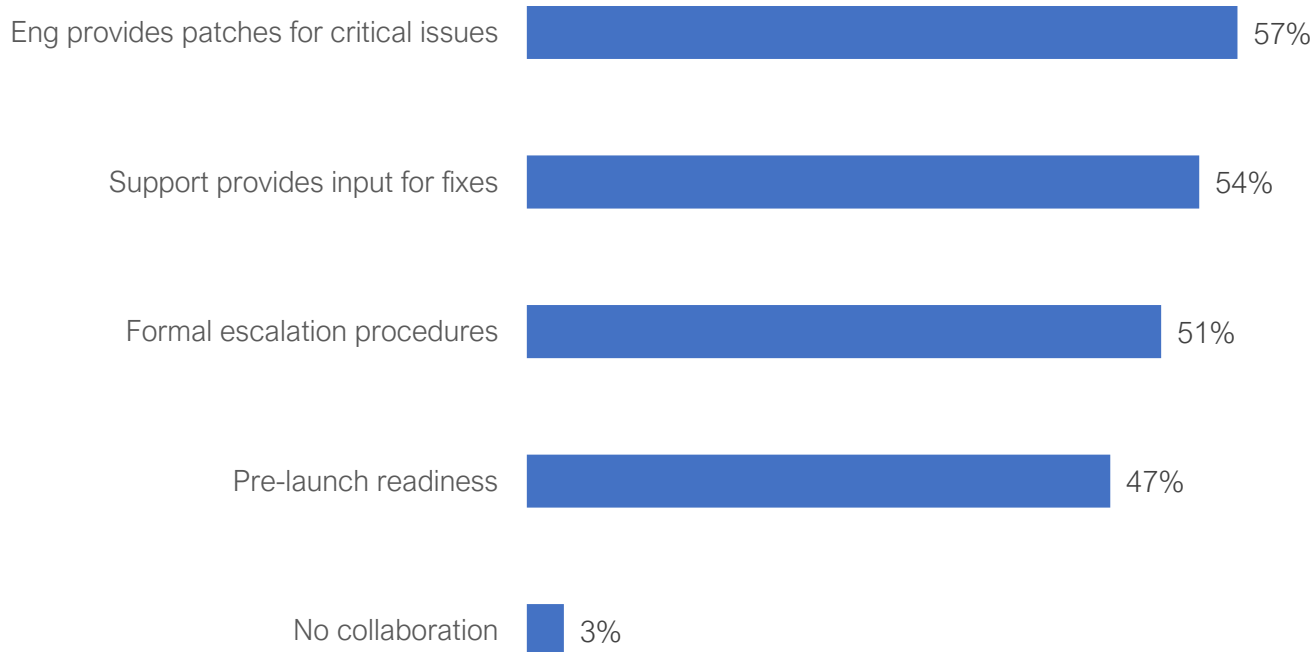
The Support / Engineering Interface is Not Optimized to Prevent Issues

Nearly every company has some level of relationship between the Support and Engineering groups. The interface between Support and Engineering exists but is not always optimized to prevent support issues. Only half (51%) of companies have formal escalation procedures from Support to Engineering and few are driven by service level performance agreements or shared measures of success.

More than half (54.1%) of companies have a process by which Support can escalate cases for consideration for product fixes or features improvements. Slightly more (57%) have processes in place to expedite patches or hot fixes for critical customer issues.

Although Support and Engineering have a *de facto* relationship, it is most often focused on issues resolution rather than issue prevention. A significant opportunity exists to develop cooperative practices for identifying and mitigating top issues that generate support demand.

FIGURE 25: SUPPORT / ENGINEERING COOPERATION



Multiple responses allowed

Building Customer Proficiency

More than a third (34%) of support cases relate to usability questions. Support demand for “how to” questions can be reduced if customers are more proficient at using a product. Building customer proficiency is an excellent way to reduce support demand and accelerate user product adoption. Two-thirds of companies make some effort to develop customer proficiencies, yet many (41%) of the proficiency initiatives are trailing industry standard practices.

Formal onboarding is one of the most effective efforts for building customer skills, yet it is used by less than a third (31%) of companies. Helping customers to make a plan for achieving their outcomes, evaluating skills requirements, aligning with training, and accessing ongoing coaching and account management builds customer skills and reduces their reliance on Support.

One of the most common proficiency-building resources is self-paced training, used by 41% of companies. While a positive, the effectiveness of self-paced training and the practical application of self-developed skills varies. Self-paced curriculum backed by practical exercises, proficiency exams, and even certification are most effective.

FIGURE 26: CUSTOMER PROFICIENCY DEVELOPMENT EFFORTS



Multiple responses allowed

Self-Help: Widespread, Low Impact

Providing customers with access to self-help resources is the most common effort companies use to scale the delivery capabilities of Customer Support. Companies are most likely to offer access to a searchable knowledge base (88%); product documentation (44%); software patches; hotfixes and updates (39%).

Although self-help is used widely across the industry, only 20% of companies cite it as a primary factor for reducing support demand. This is not to suggest that self-help is not worthwhile. It cannot, however, be the only investment Support organizations make to reduce demand.

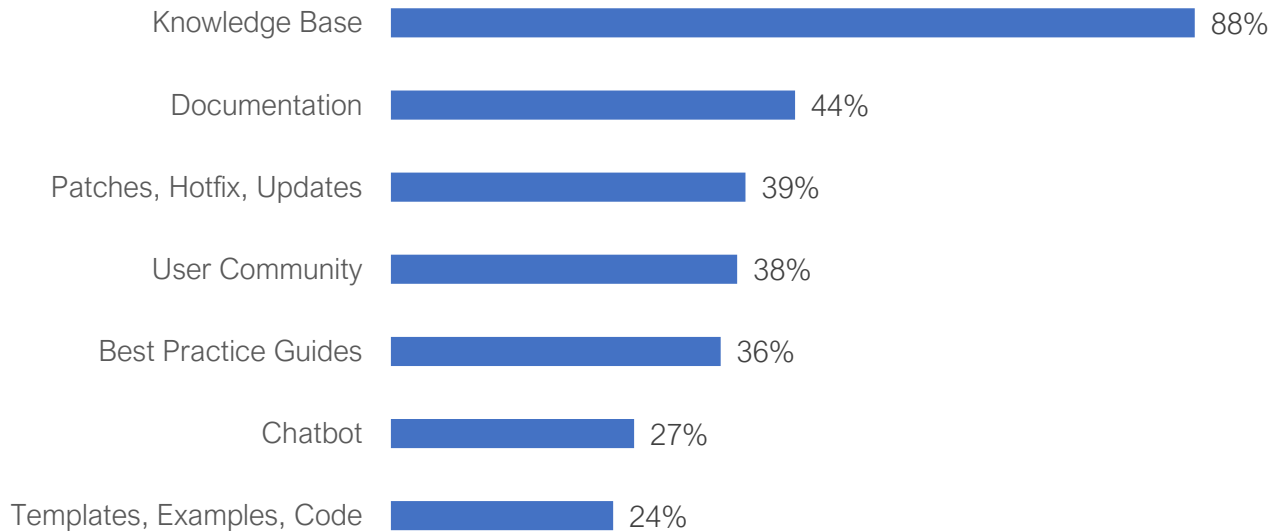
For the past decade self-service deflection (the rate that issues are resolved without the need for assisted support) has hovered in the 20% range, although companies report that more than half of customers report success with self-help. In 2020 self-help deflection industry-wide dropped 3.7% to an average of 19.8%.

For more information about deflection see [How to Define and Measure Deflection](#).

TABLE 2: SELF-HELP METRICS

<i>Self-Service Success</i>	Rate that customers report finding useful information through self-help resources	55.7%
<i>Self-Service Deflection</i>	Rate that self-help solved a support issue without the need for Support's assistance	19.8%
<i>Increase in Self-Service Use</i>	Percent of companies that indicate self-help use is increasing	57.2%
<i>Rate of Increase</i>	Rate of increased use reported by companies experiencing self-help usage increase	8.9%

FIGURE 27: SELF-HELP RESOURCES PROVIDED

*Multiple responses allowed*

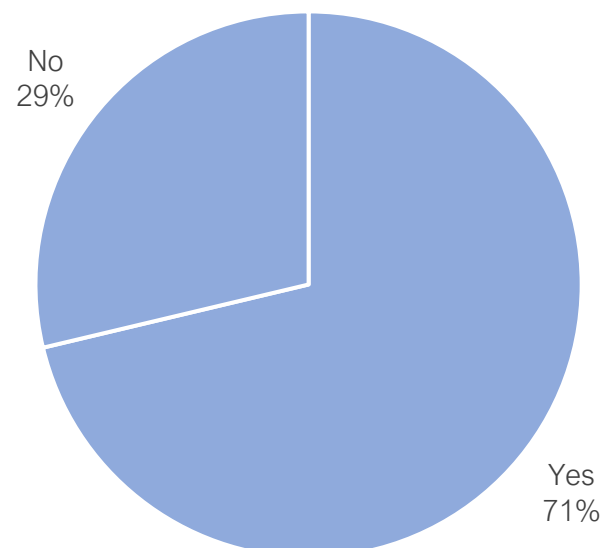
The Knowledge Base is Locked

Of the many (88%) companies that offer a searchable knowledge base as the cornerstone of their self-help initiative, 71% report that users must login for access. This obstacle limits customers that need information contained within.

ServiceXRG has established that customers prefer to use a web search when looking for Support information. Customers may not be willing to take the time to login to your site. If your Support knowledge base is behind a firewall, customers will not find and use your content.

When companies embed Support access through products and leverage product credentials for single sign-on, customers will have easier access to knowledge resources. Providing access to Support knowledge is important for increasing the use and effectiveness of self-help.

FIGURE 28: DO CUSTOMERS NEED TO LOGIN FOR SUPPORT KNOWLEDGE BASE ACCESS



BEST PRACTICES:

SCALING SUPPORT

For Support organizations to scale in order to meet new demand and take on high-value customer engagement activities, companies will need to increase their focus and investment in one or more initiatives related to issue prevention, self-help, automation, or building customer proficiency.

Consider the following practices to scale Support capabilities:

Balance the Support strategy between prevention and issues resolution.

Align the Customer Support strategy with an appropriate balance between issues resolution and mitigation of support demand through proactive and preventative initiatives.

Focus prevention, proficiency efforts on topics that matter most.

Identify the top causes of support demand and develop mitigation efforts that will have the highest impact. Consider mitigation efforts beyond self-help and issues resolution. Identify and fix the root cause of support demand—both user-related (e.g., usability, “how-to”) and product-related issues (bugs, integrations, compatibility).

Build customer proficiency from the beginning of the relationship with onboarding.

Establish customer objectives and assess the skills and resources they will need to achieve desired outcomes. Provide access to digital best practices and skills development resources as well as coaching, account management, and formal training.

Train, test, and measure proficiency.

Provide customers with skills development resources such as self-paced and instructor-led training. Reinforce customer skills development through practical exercises, proficiency testing, and recognition such as badging or certification.

Optimize the Support / Engineering interface to prevent issues.

Establish formal processes to identify, justify, and prioritize corrective actions for issues that generate the most support demand or generate the highest customer dissatisfaction. Integrate Support and Engineering systems to facilitate close cooperation. Establish shared goals for both Support and Engineering to drive towards achieving issues-prevention targets.

Establish and nurture a Support community to foster peer-to-peer support.

Leverage a community to facilitate peer-to-peer support and sharing of tips and techniques. Invest in the community and nurture community growth with involvement of Support experts and enlistment of customer champions.

KEY METRICS:

PREVENTION, PROFICIENCY, SELF-HELP, AND AUTOMATION

The ability to scale Support depends upon your ability to identify the top factors that drive demand for Support and then apply the best approaches to minimize or prevent demand. It is essential to track the impact of prevention efforts to justify continued investment and expansion of initiatives that are most effective. Consider the following metrics and measurements:

Prevention Rate

<i>Definition</i>	<i>Prevention Rate</i> is the total reduction of support demand resulting from mitigation and prevention initiatives.
<i>Action</i>	Leverage case closure analysis to identify candidate issues that can be addressed to reduce future support demand. Identify opportunities to reduce future support demand through product enhancements, customer skills development, and self-help resource development. Prioritize top issues, and plan and justify mitigation efforts. Measure the impact of each action taken to prevent support demand.
<i>Performance Level</i>	<p>< 5% - Little to no reduction in demand can be expected with limited formal mitigation efforts.</p> <p>> 25% - Higher support demand reduction will result from aggressive prevention and self-help initiatives.</p>

Bug Impact

<i>Definition</i>	<i>Bug Impact</i> is the estimated total support demand created because of product related issues (performance and user experience).
<i>Action</i>	Identify the top issues that generate support demand and estimate the total preventable cases if issues were fixed. Create an issue impact analysis to prioritize and justify corrective product actions.
<i>Performance Level</i>	<i>Bug Impact</i> varies by product type.

Bug-Fix Deflection

<i>Definition</i>	<i>Bug-Fix Deflection</i> is the impact of fixing priority issues.
<i>Action</i>	Monitor the impact of fixing priority issues by tracking the reduction in cases associated with a fix. Compare actual cases prevented by fixes to forecasted bug impact.
<i>Performance Level</i>	There is no established benchmark for <i>Bug-Fix Deflection</i>

Proficiency Impact

<i>Definition</i>	<i>Proficiency Impact</i> is the estimated total support demand created by customers' inability to use and apply products due to lack of product skills.
<i>Action</i>	Forecast the total preventable support demand by increasing the skill level of users, developers, and administrators. Estimate the potential reduction in future support cases and associated total savings. Use the Proficiency Impact analysis to prioritize and justify investment initiatives for increasing customer skills.
<i>Performance Level</i>	<i>Proficiency Impact</i> varies by product type and maturity of training and onboarding initiatives.

Skills Deflection

<i>Definition</i>	<i>Skills Deflection</i> is the impact of increasing customer product skills so that they can use products more competently.
<i>Action</i>	Monitor the impact of skills development initiatives by tracking the reduction in cases associated with increased user proficiencies. Compare actual results to forecasted <i>Proficiency Impact</i> .
<i>Performance Level</i>	There is no established benchmark for <i>Skills Deflection</i>

Onboard Rate

<i>Definition</i>	<i>Onboard Rate</i> is the percent of all new customers that have been formally onboarded.
<i>Action</i>	Establish the extent to which new customers receive formal onboarding. Formal onboarding may consist of self-guided resources such as best practice guides and self-paced training or may be guided by an account or success manager. <i>Note that this is not a Support specific metric, but one that Support should monitor.</i>
<i>Performance Level</i>	Less than a third (31%) of companies offer formal onboarding programs. Onboarding, self-guided tech-touch or high touch programs should be offered to all new customers.

Self-Help Coverage

<i>Definition</i>	<i>Self-Help Coverage</i> is extent to which self-help content and resources cover known support issues.
<i>Action</i>	Establish the extent to which self-help content and resources cover known support issues. Prioritize efforts to fill gaps based on the potential to deflect future support demand.
<i>Performance Level</i>	Over 80% of known issues should be covered within the knowledge base.

Self-Help Usage

<i>Definition</i>	<i>Self-Help Usage</i> is the rate that customers attempt to use self-help resources prior to requesting assisted support.
<i>Action</i>	Evaluate the rate that customers attempt to use self-help resources prior to requesting assisted support. Comprehensive coverage of top support issues within the knowledge base will not reduce support demand if customers do not use, or cannot access, self-help resources. Identify top reasons why customers do not use self-help.
<i>Performance Level</i>	Two-thirds of customers report using self-help resources (vendor provided or general web search) prior requesting support assistance.

Self-Help Deflection

<i>Definition</i>	<i>Self-Help Deflection</i> is the rate that assisted support demand is no longer required because an answer was found through self-help resources.
<i>Action</i>	Measure the rate that assisted support demand is deflected by access to answers found through self-help resources. For a concise definition of deflection see How to Define and Measure Deflection .
<i>Performance Level</i>	The average deflection rate has hovered around 20%. In 2020 self-help deflection industry-wide dropped 3.7% to an average of 19.8%.

THE STATE OF SUPPORT:

CUSTOMER SATISFACTION AND RELATIONSHIP HEALTH

Most (80%) companies have formalized methods for capturing customer feedback. Many of these methods examine the quality of support transactions. Increasing numbers of companies are expanding customer assessment methods to include holistic customer health assessments and scalable, AI-based sentiment analysis of case records and social posts.

Key Findings

- Most (94%) companies have formalized methods for capturing customer feedback.
- The most common method for capturing customer feedback is post-transaction surveys (57%).
- The industry average satisfaction score is 87%.
- Less than a third (28%) of companies use NPS to measure satisfaction with Support.
- When customer dissatisfaction is identified, only 57% of companies have formal procedures to act on reported dissatisfaction.
- Most companies incent customer-focused behaviors within the Support management team by aligning goals with customer satisfaction performance.
- More than half of companies (54%) indicate that they measure the relative health of customer relationships based on a composite of many inputs.

In this Section

- The State of Customer Satisfaction and Health Assessment
- Best Practices for Customer Satisfaction and Health Assessment
- Key Satisfaction and Health Assessment Metrics and Measurements

Capturing Customer Feedback

The most common methods for capturing customer feedback are post-event transaction surveys (57%), followed by periodic relationship surveys (49%) and insights captured during the support interaction (41%). Few companies extract customer sentiments and insights available through social channels (37%) or contained within Support case records (24%).

FIGURE 29: DO YOU HAVE A FORMAL PROGRAM TO CAPTURE CUSTOMER FEEDBACK?

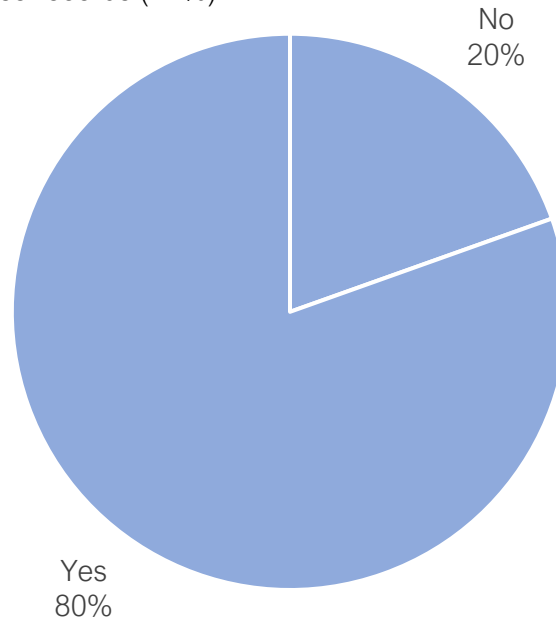
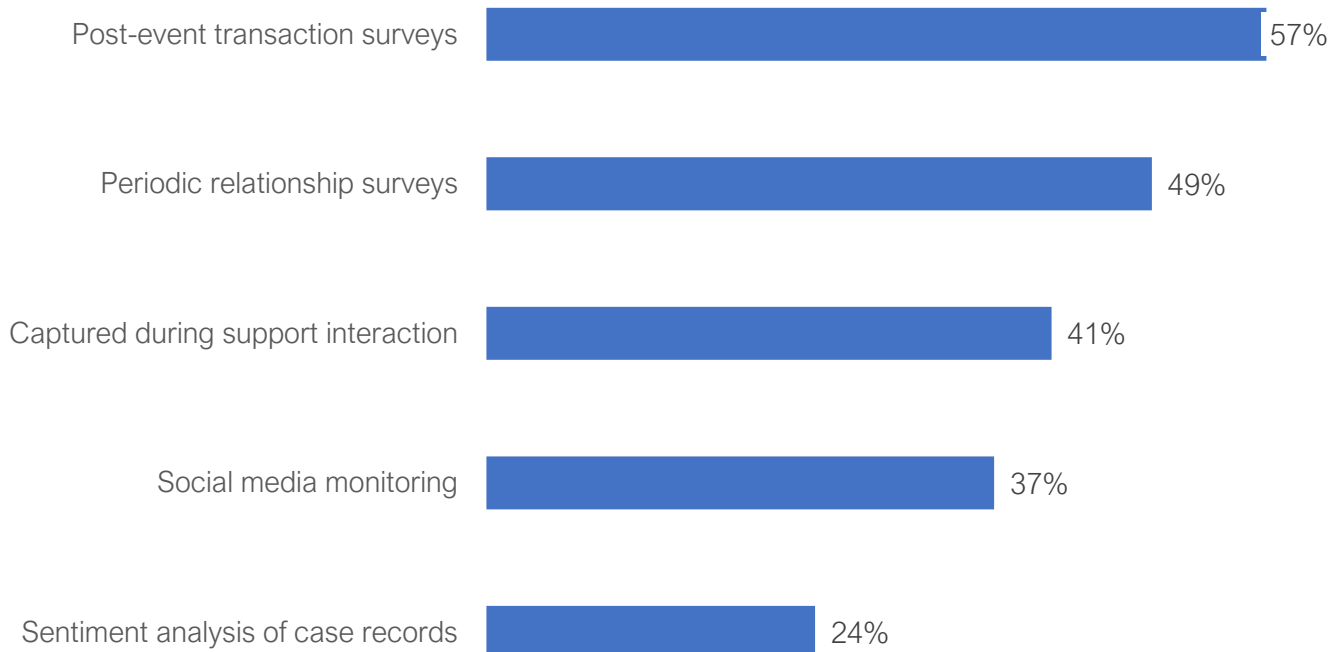


FIGURE 30: PRIMARY METHODS FOR CAPTURING CUSTOMER FEEDBACK



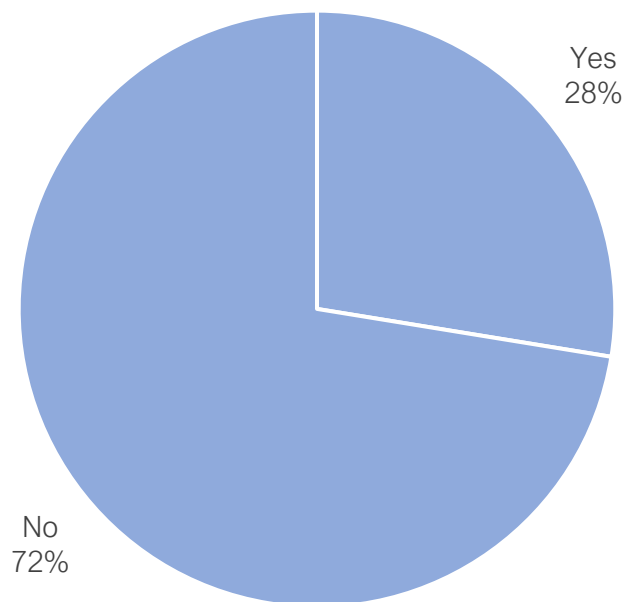
Multiple responses allowed

NPS is Not a Support Metric

Net Promoter Score classifies customers as Promoters, Passives, and Detractors based on a single question. NPS is commonly used to measure brand affinity and the likelihood of a recommendation. NPS is not a good metric to indicate the quality of Support and less than a third (28%) of companies use it as a top Support metric.

NPS does not distinguish between product and service characteristics that influence the rating given. A great support interaction may get a low rating because the respondent is reacting to a product deficiency. NPS can be useful, but not as an indication of Support quality and performance.

FIGURE 31: DO YOU USE NPS AS A SUPPORT METRIC?



“NPS is useful, but not a good metric to indicate the quality of Support because it does not distinguish between product and service characteristics.”

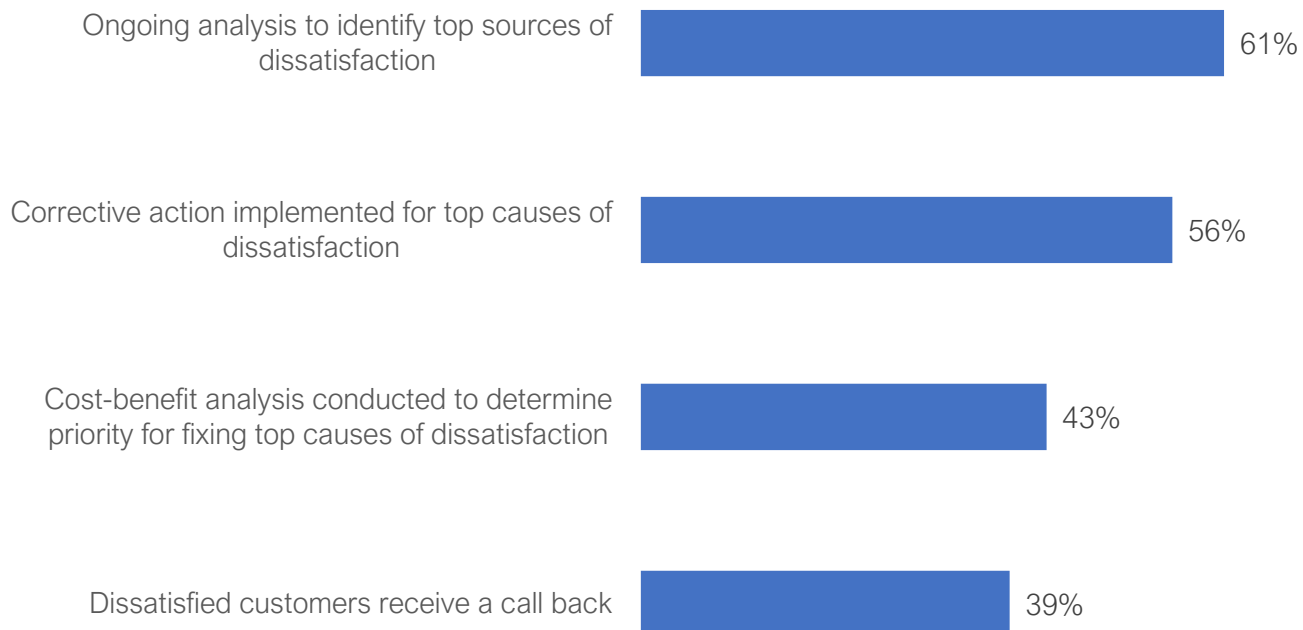
Operationalizing Customer Feedback

The practice of capturing customer feedback is widespread yet processes for acting on this feedback are more limited. Only 57% of companies report having formal procedures to act on reported dissatisfaction. Companies with formal procedures will most often study the feedback (75%) to determine an appropriate course of action, but only 56% of these companies report taking direct corrective action to address root causes of dissatisfaction.

Customer satisfaction data collected is analyzed by most companies and some indicate that they act on feedback by contacting dissatisfied customers. Contacting dissatisfied customers, a practice used by 39% of companies, is an excellent way to better understand the root causes of dissatisfaction, yet this approach does not scale for high-volume Support organizations.

Some companies (27%) indicate using AI and other tools to analyze customer sentiment expressed in electronic case records and social media platforms. This tech-touch approach offers deep insights into the factors that cause dissatisfaction and is increasingly accurate and highly scalable.

FIGURE 32: STEPS USED TO ACT ON CUSTOMER FEEDBACK



Multiple responses allowed

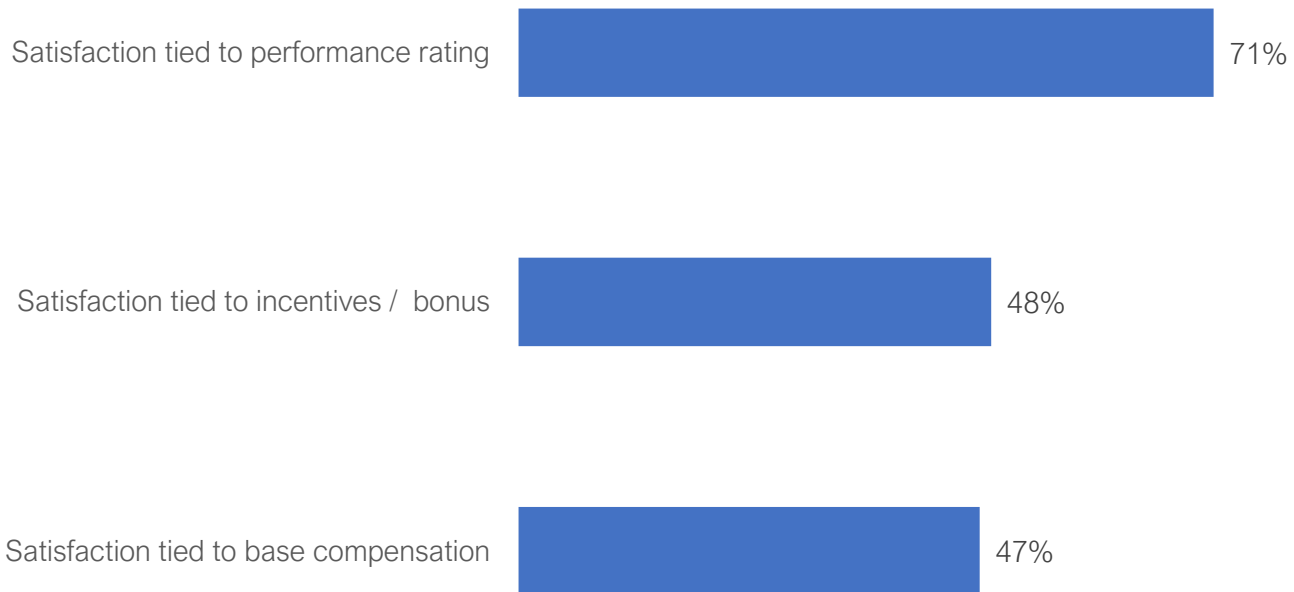
Incenting the Right Behaviors

Measuring customer satisfaction is important because it indicates opportunities to improve products and services. Since satisfaction is often a prerequisite for retaining customer relationships, it is important to identify causes of dissatisfaction and take action to mitigate them. The best way to accomplish this is to incent management to take action to improve customer satisfaction.

Most companies incent the Support management team to promote customer-focused behaviors by aligning goals with customer satisfaction performance (71%), tying customer satisfaction to management incentives and bonuses (48%), or connecting customer satisfaction to base compensation.

“Incent staff and management to take action to improve customer satisfaction.”

FIGURE 33: INCENTING CUSTOMER-FOCUSED BEHAVIORS

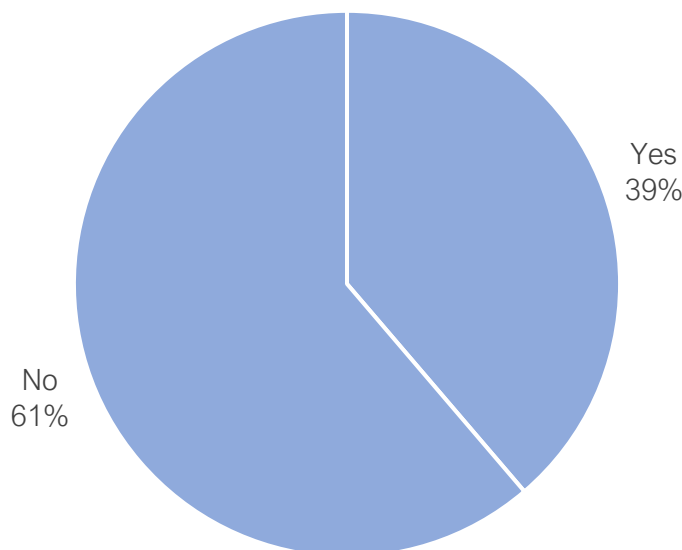


Multiple responses allowed

Customer Churn

Churn, the rate of customer attrition, is used by 56% of companies, but only 39% use it as a Support metric. Support does not have the sole responsibility to retain customers, but it does play a role. The rate of customer churn, and the underlying reasons for attrition, should be primary metrics shared by Support, Customer Success, and other customer-facing organizations.

FIGURE 34: DO YOU USE CHURN AS A SUPPORT METRIC?



“Support does not have the sole responsibility to retain customers, but it does play an important role.”

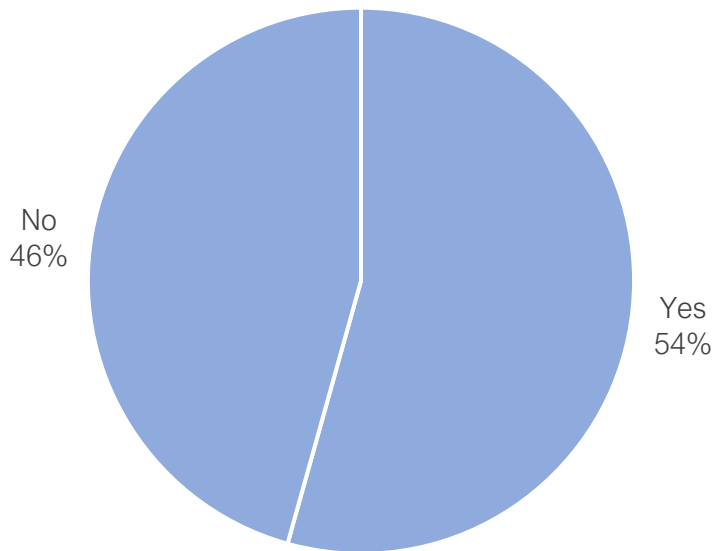
Moving Beyond CSat With Relationship Health Monitoring

Customer satisfaction (CSat) is widely used to indicate how customers feel about the products and services companies provide. It is far better to measure CSat than not to, but no single metric can tell the entire story about the health of customer relations or suggest what can be done to strengthen at-risk relationships.

More than half of companies (54%) indicate that they measure the relative health of customer relationships based on a composite of many leading and lagging indicators including satisfaction, rates of adoption, success, retention, and recurring revenue rates.

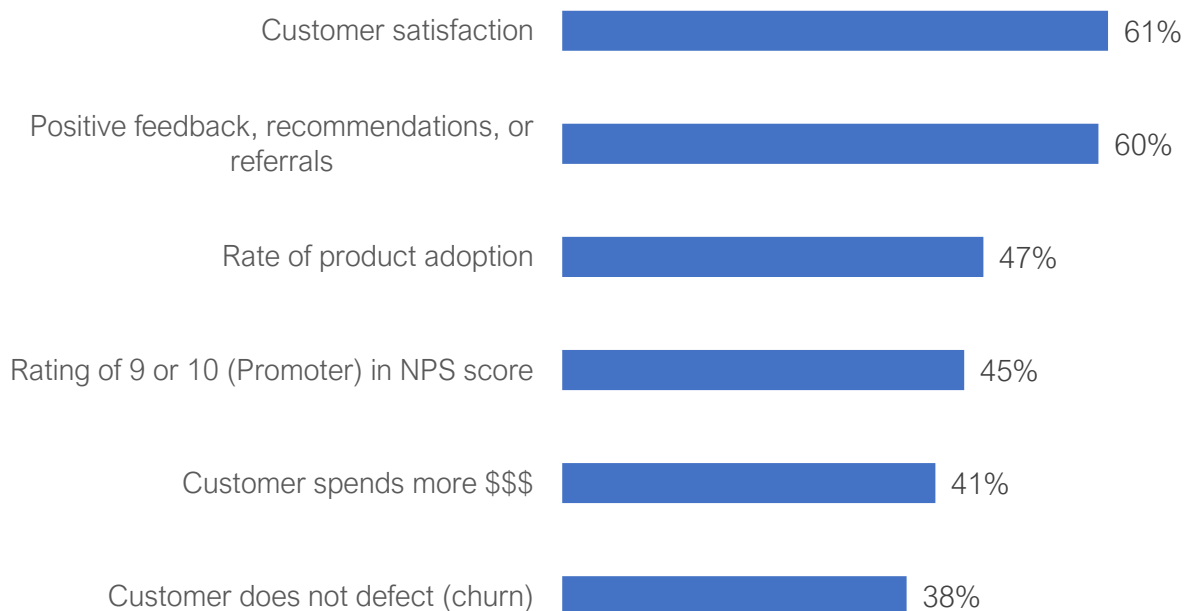
Monitoring the customer ownership experience provides insights about the extent to which customers are using products successfully. It can also act as an early-warning system to alert about at-risk customers and trigger corrective actions.

FIGURE 35: DO YOU USE RELATIONSHIP HEALTH AS A SUPPORT METRIC?



“Monitoring customer health provides an early-warning system to alert about at-risk customers and trigger corrective actions.”

FIGURE 36: INPUTS USED TO GENERATE CUSTOMER HEALTH INDEX



Multiple responses allowed

Recurring Revenue Provides Insight into Customer Health

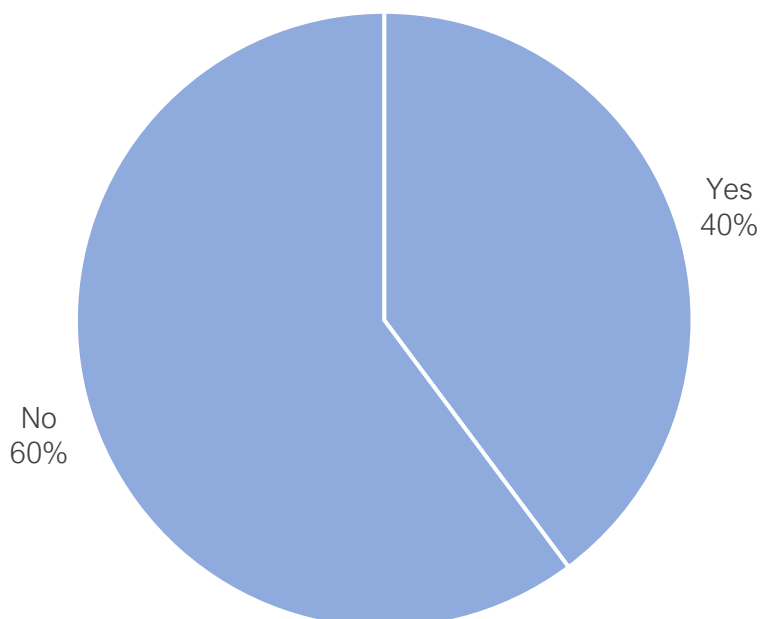
When customers are satisfied they are far more likely to renew or expand existing relationships. One of the most effective indicators of customer satisfaction and overall relationship health is measured by customers' willingness to renew and even expand their financial relationships with you. Nearly 40% of companies indicate that they track recurring revenue as a Support metric.

Monitoring Monthly Recurring Revenue (MRR) or Annual Recurring Revenue (ARR) provides insight into the state of individual relationships. If recurring revenue is on the rise, then the state of the relationship is healthy. If recurring revenue is in decline or lost, then the customer relationship needs help.

Since recurring revenue is a lagging indicator, the underlying factors that cause a decline in MRR or ARR have already had their effect. Declines in MRR/ARR may point to opportunities to win back lost revenue, but the focus should be on understanding and mitigating the root causes behind the loss.

The key is to identify leading indicators that diminish customer health and place recurring revenue at risk. Important leading indicators will include product usage and adoption rates, as well as other indications that customers are successfully using products.

FIGURE 37: DO YOU USE RECURRING REVENUE AS A SUPPORT METRIC?



“A customer’s willingness to renew or expand a financial relationship is one of the most effective indicators of relationship health.”

BEST PRACTICES:

SATISFACTION AND HEALTH ASSESSMENT

Support must focus on the attainment of tangible business objectives and attainment of high customer satisfaction or Net Promoter Scores, while positive, is not enough to indicate that “promoters” or “satisfied” will correlate to the positive outcomes a business expects.

For the customer, this implies that Support interactions must help resolve issues that may inhibit their ability to apply a product successfully. For the business, providing these services must contribute to retaining relationships and recurring revenue with hopes of expanding their value.

Capture rates and reasons for dissatisfaction.

Conduct post-transaction surveys for all customer interactions including phone and electronic channels. Identify the levels of satisfaction with the experience provided and the outcome delivered. Establish the underlying reasons why customers report dissatisfaction.

Identify and prioritize corrective actions for top dissatisfiers.

Monitor the top reasons for customer dissatisfaction and identify possible corrective actions. Corrective actions may require enhancements to products, changes to policies, fixes to Support systems and tools, or enhanced training for staff.

Resources to address dissatisfiers will be finite, so prioritize corrective actions based on quantifiable impact and return on investment from efforts.

Monitor customer relationship health.

Implement a customer health score to evaluate multiple aspects of the customer relationship. Include leading indicators such as rates of product use and adoption, attainment of success milestones, and satisfaction. For longer term health tracking, include lagging indicators such as renewals, revenue growth, and churn.

Develop intervention strategies for at-risk customers.

Develop plans to identify and engage customers that are at risk. Intervention must be aligned to mitigate the factors that contribute to risk. Assure that risk mitigation efforts will yield reasonable returns from efforts.

Engage highly dissatisfied customers with personal contact.

Engage dissatisfied customers through personal contact when possible. Prioritize key accounts for personal engagement.

Leverage advanced tools and AI to analyze customer sentiment.

Extract meaning and insights for case record notes and social media posts using keyword and semantic analysis tools. Advanced analytical tools can extract meaning and insights by analyzing the written words shared by customers through Support case records and social posts.

Leading vs. Lagging Indicators

Use a proper balance of leading and lagging indicators to assess customer satisfaction and health. Leading indicators will offer a real-time perspective on what is happening now and can provide insights about any risk factors that exist. Leading indicators include the rates of product adoption, attainment of success milestones, and customer satisfaction.

Lagging indicators reflect what has already happened and include customer churn, cancelations, and revenue growth. Optimal customer satisfaction and health assessment can provide predictive insights to suggest what actions can be implemented now to positively effect outcomes in the future.

KEY METRICS:

MEASURING CUSTOMER HEALTH AND SATISFACTION

Assessing the impact of Support's efforts is critical. Customer satisfaction ratings derived from post-transaction surveys is the most common method. CSat, while a useful metric, reflects on the quality of a support transaction but does not always indicate if a customer will continue to remain a customer.

Consider the following metrics and measures for assessing the impact of Support:

Customer Satisfaction

Definition

Customer Satisfaction is the percentage of customers that indicate satisfaction based on a survey sent after a Support case is closed, or through a periodic relationship survey.

Action

Define specific topics for satisfaction assessment such as time to respond or resolve; quality of solution provided; experience provided by Support staff; level of effort required to get assistance; and/or quality of product. Choose a satisfaction scale that will accurately reflect customer perceptions (e.g., a 9 or 10 on a ten-point scale.).

Performance Level

Industry average satisfaction score is 86.7%.

Net Promoter Score

Definition

Net Promoter Score classifies customers as Promoters, Passives, and Detractors based on a single question. Net promoter Score NPS is based on a scale from -100 to 100.

Action

NPS is not a good support metric because it does not distinguish between product and service elements that influence the rating given. Although not an ideal support metric, it is easy to administer with a single question to identify promoters and detractors.

Performance Level

Industry average NPS score for Support is 35.

Churn

<i>Definition</i>	<i>Churn</i> measure the rate that customers are lost due to non-renewal.
<i>Action</i>	Measure the rate that customers are lost due to non-renewal. Churn, a lagging indicator, is typically related to cumulative issues that affected customers' ability to realize value from the products they owned. (Note that churn can also occur due to factors beyond your control, such as customers going out of business or being acquired.)
<i>Performance Level</i>	Churn rates lower than 3% are optimal. The industry average churn is 10%.

Adoption Rate

<i>Definition</i>	<i>Adoption Rate</i> is the percent of customers that have reached adoption milestones.
<i>Action</i>	Establish the extent to which new customers receive formal onboarding. Formal onboarding may consist of self-guided resources such as best practice guides and self-paced training or may be guided by an account or success manager. <i>Note that this is not a Support specific metric, but one that Support should monitor.</i>
<i>Performance Level</i>	Less than a third (31%) of companies offer formal onboarding programs. Onboarding, self-guided tech-touch or high touch programs should be offered to all new customers.

Success Rate

<i>Definition</i>	<i>Success Rate</i> is the percent of customer that have reached established performance goals or milestones defined within the success plan.
<i>Action</i>	Monitor customer progress towards success plan milestones and assure that usability or product related issues do not inhibit customers' ability to reach success goals. <i>Note that this is not a Support specific metric, but one that Support should monitor.</i>
<i>Performance Level</i>	There is no defined benchmark for <i>Success Rate</i> , although all customers should reach success milestones.

Health Score

<i>Definition</i>	<i>Health Score</i> measures the relative health of a customer relationship based on the composite rates of adoption, success, retention, and recurring revenue rates and other inputs.
<i>Action</i>	Establish a health index base on multiple inputs to reflect the status and health of customer relationships. Capture inputs, monitor health scores and intervene when health scores drop below defined thresholds.
<i>Performance Level</i>	Relationship health will ebb or flow, but the number of at-risk customers should not exceed 10%.

Recurring Revenue (ARR/MRR)

<i>Definition</i>	Recurring Revenue (ARR/MRR) measures the growth or contraction of recurring revenue value related to specific relationships.
<i>Action</i>	Monitor relationship value at the individual account level. Use this lagging indicator to pinpoint account-specific issues that may indicate that policies, products, or services are not adequate to sustain some existing relationships.
<i>Performance Level</i>	The average recurring revenue rate is 83%. Recurring revenue rates above 95% are market-leading.

Net Recurring Revenue

<i>Definition</i>	<i>Net Recurring Revenue</i> is a holistic measure reflecting the rate of retention and growth of recurring revenue across all accounts.
<i>Action</i>	<i>Net Recurring Revenue</i> incorporates new sales, expansion of existing accounts, and loss of existing customer revenue. For more information see How to Measure Net Recurring Revenue .
<i>Performance Level</i>	Recurring revenue should exceed 100% reflecting growth of overall relationship value. The average <i>Net Recurring Revenue</i> rate is 98%.

Sentiment

Definition

Sentiment is a mathematically derived score of customers' feelings expressed through written materials such as social posts and electronic case records.

Action

Sentiment can be a highly insightful and scalable indicator of customer perceptions. Sentiment can provide an excellent "early warning indicator" of customer issues and concerns. It is a great metric for issue discovery but can be difficult to train systems to "identify" issues.

Performance Level

There is no current benchmark for customer *Sentiment*.

DEMOGRAPHICS

About this Study

Data presented within this report is based on a three-pronged study of technology service practices, performance, and trends. The study consists of a web-based survey with 332 completed responses; one-on-one follow-on interviews; and an analysis of more than 44 million anonymized post-sales service case records. General demographics of study participants, including the web-based study and one-on-one follow-on interviews, are presented below.

FIGURE 38: RESPONDENT LEVEL

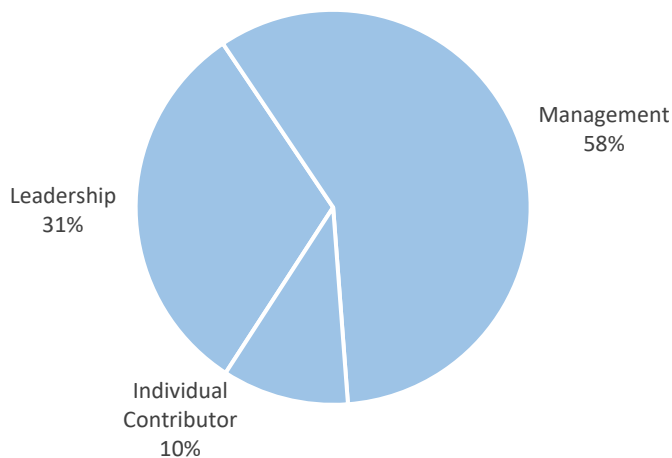


FIGURE 39: RESPONDENT TITLE

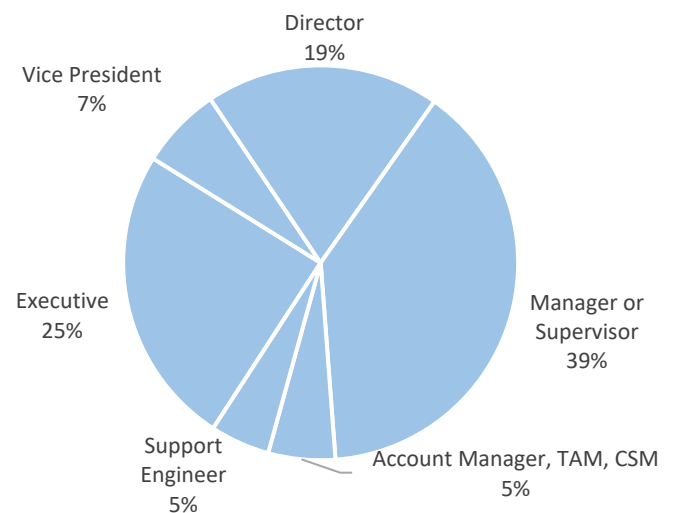


FIGURE 40: TARGET AUDIENCE

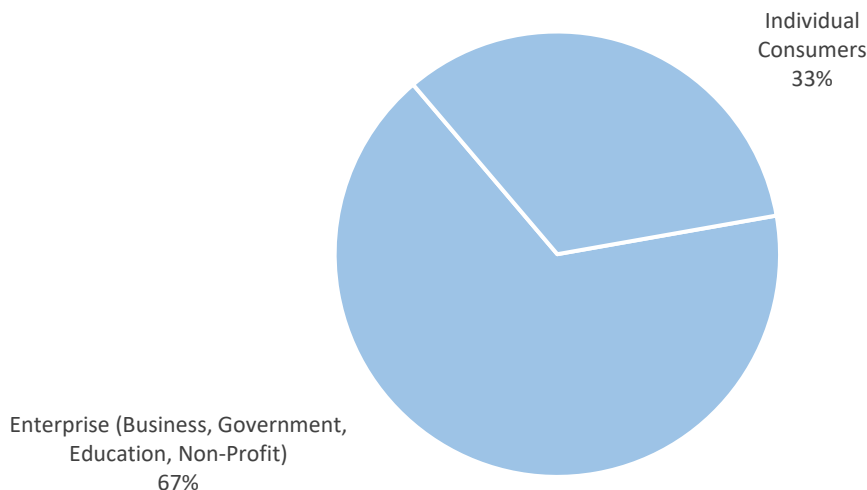


FIGURE 41: COMPANY SIZE BY TOTAL EMPLOYEES

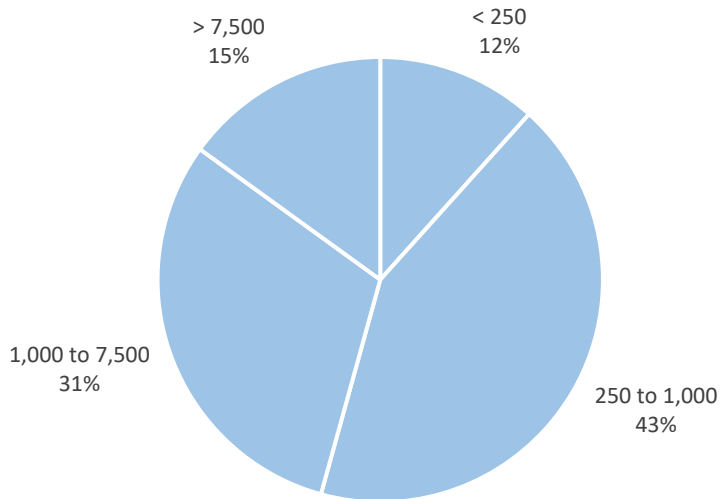


FIGURE 42: PRIMARY PRODUCT SUPPORTED

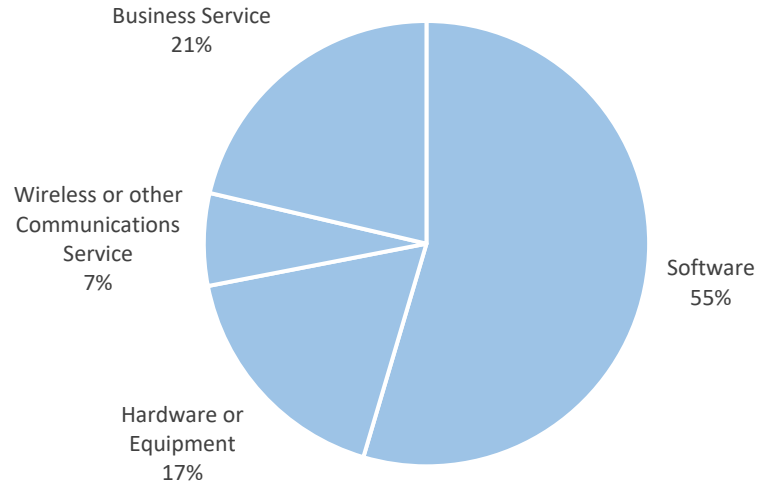


FIGURE 43: PRIMARY METHOD FOR PRODUCT LICENSING

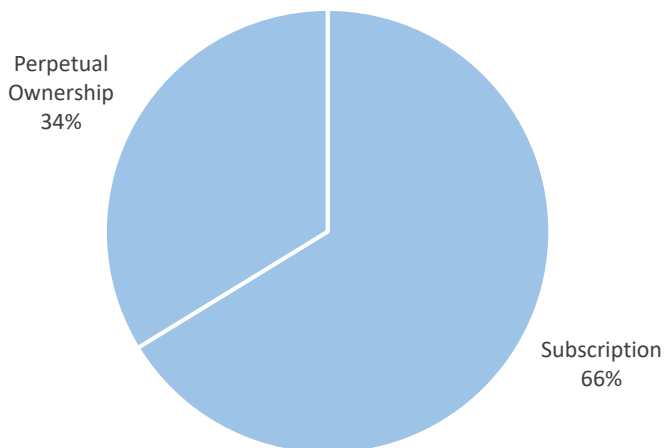
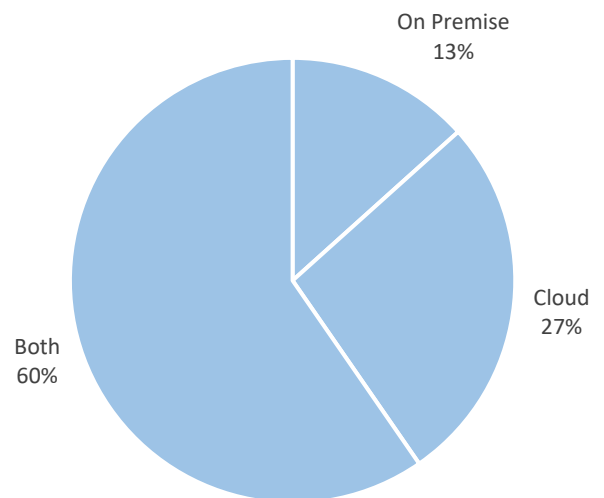


FIGURE 44: CLOUD VS. ON-PREMISE DEPLOYMENT MODEL



ABOUT SERVICEXRG



Since 2004, ServiceXRG has guided the world's leading technology companies in their strategic efforts to retain customers, grow recurring revenue, and achieve cost efficiencies through the delivery of high-quality Technical Support and Customer Success services.

We accomplish this through in-depth technology services industry research, best practices and performance benchmarking, and expert coaching services. Learn more at ServiceXRG.com.



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A separate Consumer Services edition of the *Support Transformation, The Guide to Essential Practices and Metrics* report is also available.

If you are interested in custom cuts of this data contact ServiceXRG (Research@ServiceXRG.com) for information and availability.

ABOUT TEAMSUPPORT



TeamSupport is a post-sale award-winning customer support software company built specifically for the unique needs of B2B (business-to-business) technology-enabled companies within the computer software, hardware, information technology services, and telecom industries. Created by industry experts who lived through the struggles of being a B2B company in a B2C (business-to-consumer) support world, TeamSupport has spent the past decade creating a support solution that helps build passionate customer bases for its clients. TeamSupport stands alone as the leading support solution that helps solve for sophisticated client needs and fuels successful client interactions.

The TeamSupport suite of solutions includes TeamInsights, a customizable reporting and analytics dashboard; and TeamSuccess, the first solution to fully realize the revenue potential of customer success.

Founded in 2009, TeamSupport is headquartered in Dallas, Texas. Learn more at [TeamSupport.com](https://www.teamsupport.com).



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