eBook

datto

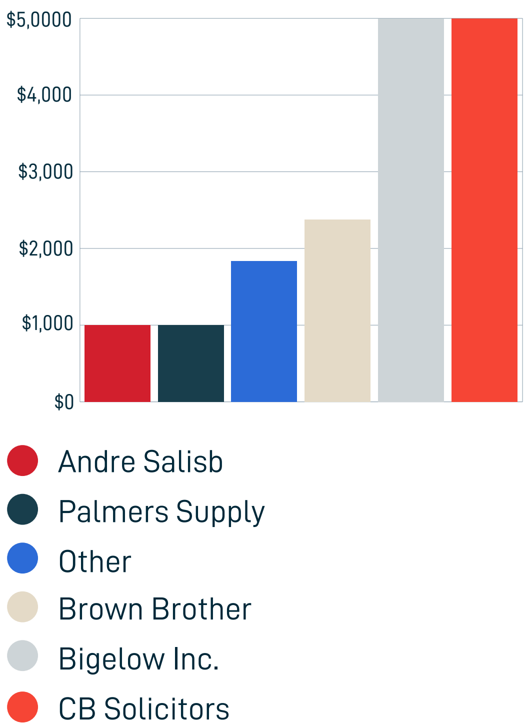
10 PSA KPIs All MSPs Should Be Tracking

Introduction

There's a lot of noise about measurement, accountability, and using data to make better decisions. Everyone has a theory about how you should be doing it, and this varies based on business type and industry. As a managed service provider (MSP), you may be asking yourself, "How can I use data to make smart decisions about my business in particular?"

In this eBook, we're cutting through the noise, and sharing the 10 key performance indicators (KPIs) MSPs should be tracking. Based on Autotask PSA data and expertise, we have determined that these 10 KPIs will help MSPs make a positive impact on continuous business growth and profitability.

This Years Most Profitable Accounts



Total $16,131.60

KPI #1: Profitability

First, you need to know exactly where you are making money and where you are losing it. This is especially important for managed services contracts because underlying costs can significantly impact your profitability. Profitability should be examined by breaking it down at the client, contact, and service-level.

To gain an accurate understanding of profitability, start by identifying your current revenue stream and possible losses. For example, is there a "top-heavy profit distribution where most of your revenue is coming from one client? If so, losing that customer could pose a significant risk to your business. On the flip side, you can look at your smallest revenue-generating customers and examine why they bring in less. Examine their current contract and ask yourself questions about the time they command from your services and if it evens out. Are they a "needy" customer that requires lots of extra attention? If the answer is yes, you should be thinking about how to factor in the extra time your team is allotting to them when their contract is up for renewal.

You also need visibility into underlying costs. Consider looking at profitability by account (image on the left), contract, and offering to gain an even more accurate understanding of the impact these items have on your monthly recurring revenue (MRR).

To gain an accurate understanding of profitability, start by identifying your current revenue stream and possible losses.

You can also look at 'pending revenue by customer' to forecast cash flow for the next month or quarter.

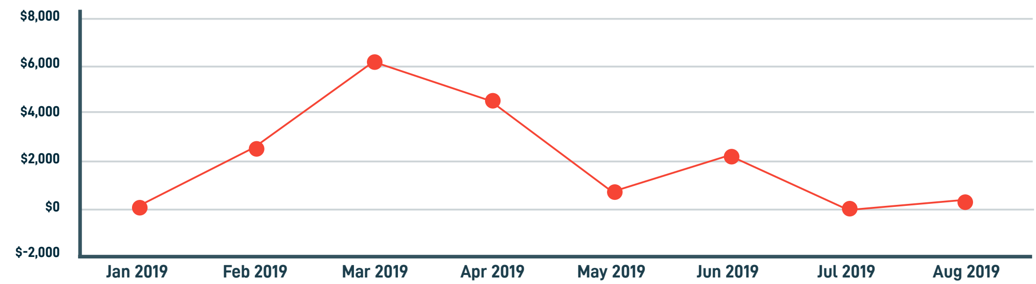
Pending Revenue By Customer

Total $80.386.73

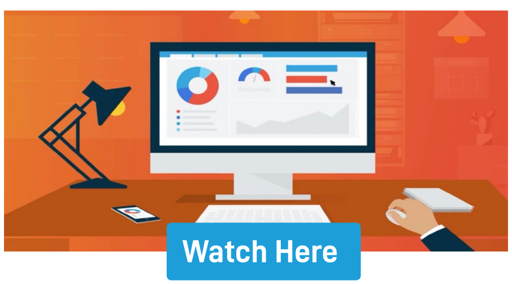
Canterbury School	**$22,000.00**
Other	**$20,948.73**
Excelsior Design	**$11,750.00**
Adirodack Advanced Chiropractic	**$10,200.00**
Evan Welch LLC	**$8,440.00**
Hockenberry Facilities Management	**$7,048.00**

This Years Most Profitable Accounts

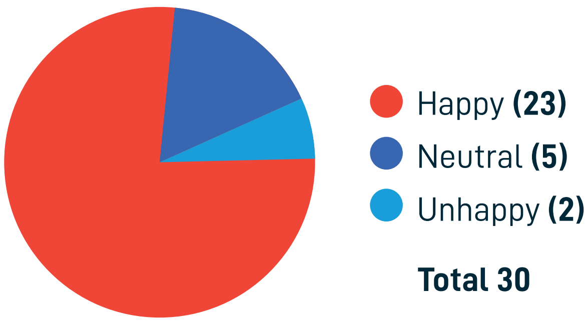
Total $16,131.60



Autotask PSA Explained



Survey Results



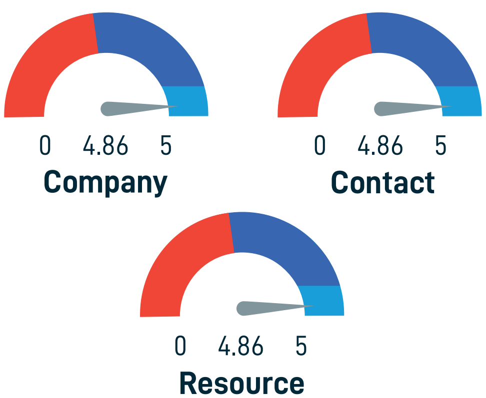
SLA and Survey Summary

3 First Response Overdue

5 First Response Due in < 1 hour

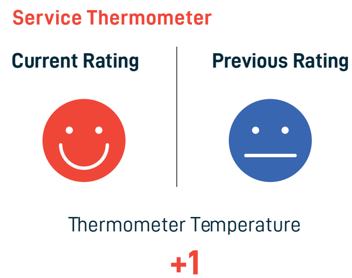
3.82 Avg Survey Score

Avg Survey Score (30 Days)



KPI #2: Customer Satisfaction Score

Customer satisfaction, also known as CSAT, is the measure of knowing if your clients are satisfied with the services you deliver, but also an indication of how likely they are to recommend you. CSAT scores can be your greatest resource to gain insight into what's working and what needs improvement. You can gather information to know if the client is happy, neutral, or unhappy, at the click of a button. This measure gives you the opportunity to take action immediately when client relationships are at risk.



Using the Service Thermometer in Autotask PSA, you can gauge how satisfied customers are with your service before you even close their ticket. The customer can simply respond with a positive (smile), neutral, or negative (frown) icon. Then, you can use the dashboard to display a widget with open tickets that have a negative temperature. This will help prioritize tickets that are at risk first.

Customer surveys can also provide an efficient and simple method of determining client satisfaction with your performance in response to tickets. With the use of workflow rules, MSPs can be automatically notified as soon as a bad survey score comes in. In terms of metrics, you can track average survey scores in dashboards by building a widget of all closed tickets and their associated score. If the score is less than 3, then you can follow up to get feedback on how to improve their experience. We have found that if companies never close the loop on surveys and respond, the client will eventually stop giving feedback in the future. Then, as a best practice, always follow up if you made a change to improve service.

Customer satisfaction scores can also be used to uncover who your biggest fans are among the client base, which are customers that consistently rate you a 5. You can even go as far as to add a question at the end of your surveys asking, "Would you recommend us?"

KPI #3: First Call Resolution

When it comes to providing support to clients, the ability to meet promised response and resolution timeframes defined within your Service-Level Agreements (SLAs) is crucial. Solid SLA performance will help you build a strong brand and retain clients. SLAs, however, may only scratch the surface when it comes to truly measuring performance. We recommend measuring your first call response (FCR) rates along with SLA performance.

FCR is the percentage of tickets where the first call solved the problem. This measures the speed of resolution for your clients. FCR can also be a great indicator for customer satisfaction, because the more calls or touches it takes to resolve an issue, the more frustrated the client becomes.

Keeping a close eye on FCR helps MSPs meet client expectations and deliver great service in a timely manner. This is because you are not only responding fast and hitting SLAs, but you are also delivering a quality of service to resolve issues on the first touch. Once you start measuring your service quality standards on FCR, you could improve up to 30%.[1]

To accurately track FCR, build a LiveReport in Autotask PSA, pull every ticket for the last month, and count the number of time entries. After that, you can filter on the time entries that are less than 2 to calculate percentage of services tickets that were resolved on the first touch point.

First Call Resolution Year to Date

Total Number	**285**
Tickets Resolved on First Attempt	**194**
Tickets Resolved after First Attempt	**91**
Percentage of Tickets Resolved on First Attempt	**68%**

Closed Ticket Work Entries

Total: 64

T20000101.0016	**26**
T20000101.0010	**5**
T20150310.0001	**4**
T20190307.0002	**4**
T20190307.0003	**4**
T20140815.0001	**3**
T20170118.0001	**3**

SOURCE

[1]Talkdesk, "How to Measure First Call Resolution In Your Contact Center", 2018

Escalations By Issue Type

Total: 104	
Break/Fix	**27**
Computer	**43**
Maintenance	**3**
Network	**3**
Server	**26**
Other	**2**

One Take: Autotask PSA Time Management

MSPs who are utilizing the FCR metric have a more granular view into how well they're hitting SLAs. You'll be able to see not just the cases that are resolved on the first attempt, but segment out those cases that take longer and dig into why. This will help you identify blockers in your process that need to be remedied and eventually increase your FCR rate.

KPI #4: Escalated Tickets

If you know the percentage of tickets that become escalated before they are resolved, then you can track Help Desk efficiency. Improving Help Desk efficiency means fewer touches by different resources before an issue is resolved, which equates to time and money saved on every incident. This is because it's going to cost your bottom line to have senior staff working on a majority of tickets. On top of that, it can be very difficult to train staff to appropriately handle service escalations. This requires soft skills, in addition to technical skills, to handle angry customers.

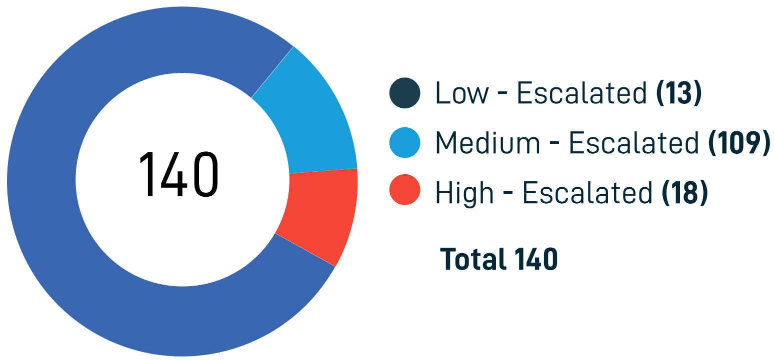
To see just how much it costs when tickets are escalated, you can use LiveReport to look at the long-term cost per ticket. This report enables MSPs to look back at the last year and see how many tickets involved a senior staff member. This will indicate how expensive each ticket costs to resolve.

You can also look at trending issues with ticket escalations, such as escalations by issue type. This can indicate areas where there is a lack of technical knowledge, highlighting where staff might need additional training.

In order to track escalated tickets, you need to set the status to "escalate" and create a workflow rule that fires and fills out a backend hidden User Defined Field (UDF).

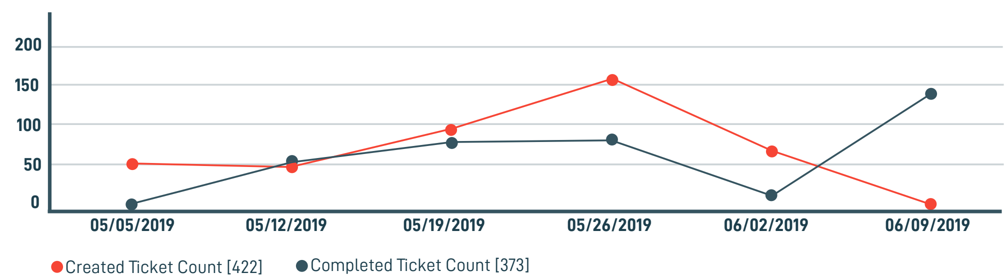
In order to track escalated tickets, you need to set the status to "escalate" and create a workflow rule that fires and fills out a backend hidden User Defined Field (UDF). This UDF will then put the ticket into the right ownership (resource, queue). You can then track the escalation of tickets from there.

Escalations By Priority



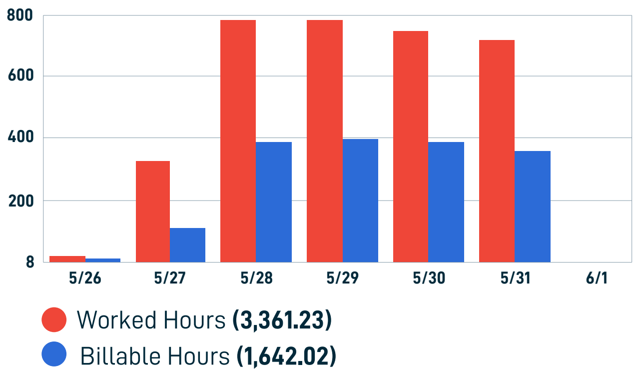
This widget will allow you to track what the initial Information Technology Infrastructure Library (ITIL) priority was.

Escalated Ticket Trending



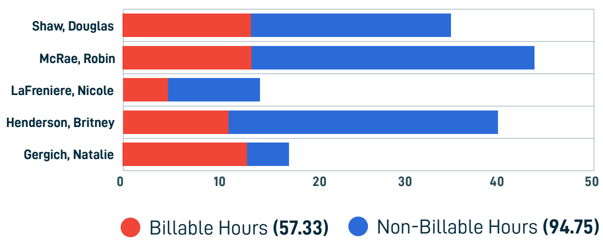
Escalated Ticket Trending looks at the backlog of escalation and how the escalated tickets are being handled.

Overall Hours Worked This Week



This widget provides visibility into what percentage of time techs are spending on backend admin work instead of customer-facing, revenue generating work. Tracking this may allow you to surface potential internal workflow issues.

My Team's Hours Last Week



This widget reveals how many hours were tracked in the previous week by individual team members.

My Team's Overdue Timesheets

Billable Hours	Non-Billable Hours	Hours Worked	Status
2.3100	6.1300	8.4400	Not Submitted
12.9000	12.8000	25.7000	Not Submitted
9.7500	11.2500	21.0000	Not Submitted
0.7600	17.5000	18.2600	Not Submitted

This widget identifies outstanding timesheets and features a reminder that can be sent to that employee directly. Accurate timesheet submissions are crucial to measuring resource utilization.

KPI #5: Resource Utilization

There are three main aspects to look at when measuring resource utilization: performance vs. projections, resource scheduling, and visibility into underlying costs. When addressing performance vs. projections, MSPs should have a general understanding of how much time it will take to complete common services, such as new employee onboarding. This will help you make service delivery time projections each month and determine how many resources are needed for those tasks. You can improve projections by keeping track of the variance (how much under or over the estimate was) each month.

Next, look at resource scheduling, which assesses how your team is spending their time. Technicians traveling for a client visit is one example. When techs need to go on-site to remediate an issue, there could be extensive travel involved, which impacts their availability for other clients that week, and thus profitability overall.

Finally, look at your underlying costs. An MSP may have everything from customer-facing roles to senior management, and each of these resources has a different cost associated with their time and work. With the proper setup to track resource utilization in Autotask PSA, MSPs can see who is doing the work, what issues they are solving, what their cost is, and what revenue are they generating from that work. Autotask PSA can also track where the majority of tickets are coming from and can identify what the most common issues are. This allows the MSP to understand where they might have gaps with certain knowledge, skills, and abilities (KSAs) to remediate these problems.

Total Missing Patches

26

Missing Patches (Workstations)

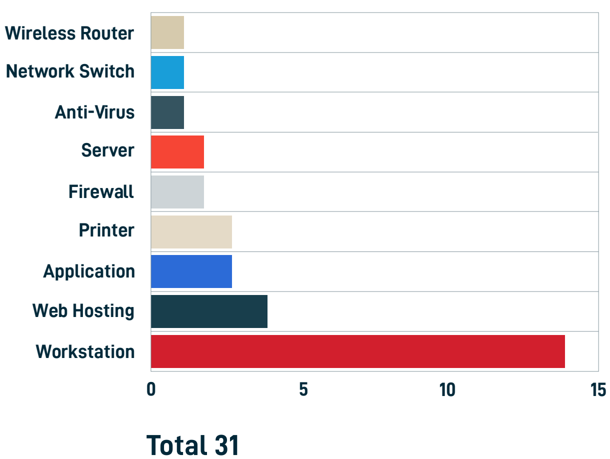
50

Total Missing Patches

24

Missing Patches (Servers)

New Devices Waiting Contract Review



KPI #6: Newly Discovered Devices

Whether billing by device or per user, MSPs can use newly discovered devices to understand the current client IT estate and which devices should be covered under contract. Having an accurate view of all the devices in a customer's network allows the MSP to ensure that the environment is secure. Use a widget such as "missing patches" to see which devices are at a higher risk for a security vulnerability.

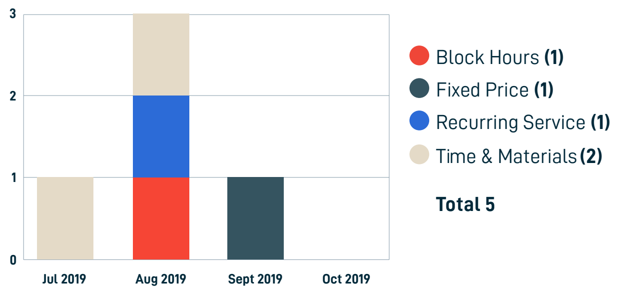
Newly discovered devices also help to plan and predict future levels of service. Use a widget that reveals the different types of assets that are coming into the environment, such as servers, laptops, desktops, and printers. Certain asset types can indicate how much time is predicted to be spent managing each one.

Most importantly, MSPs can decide which of those devices are in scope and should be covered under contract. Updating contracts monthly with accurate device counts can be very time consuming, and oftentimes device counts are only updated once per year. With the unification of Autotask PSA and Datto RMM, newly discovered devices are automatically brought over to the PSA to be reviewed and assigned to that client's contract. There is also a widget that can display new devices awaiting contract review to notify the accounting department and service technicians of the change. This will ensure there is no missed billable revenue for each contr act, and that revenue can be recognized immediately.

KPI #7: Contract Renewal

To help prevent churn, Autotask PSA alerts an MSP when customers are up for renewal. Widgets offer visibility into expiring contracts 30, 60, and 90 days out. This helps MSPs stay ahead on documentation that needs to be worked out for renewals and leaves time for potential negotiation. On average, it costs MSPs 5X more to acquire a new customer than it does to retain a current customer, so staying on top of renewals is a must.

Expiring Contracts By Contract Type



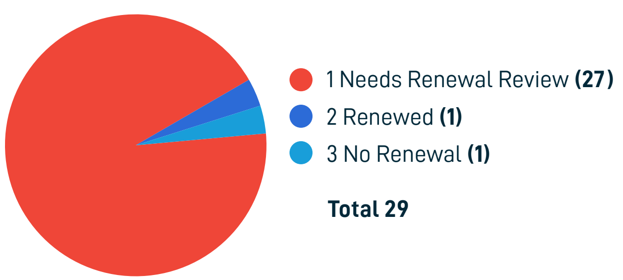
Contract Expirations

Company Name: **Excelsior Design**					
Contract Name	**Contract ID**	**Contract Type**	**Contract Period TypeS**	**tart Date**	**End Date**
Onsite and Remote After Hours	29687813.0	Block Hours	Not Applicable	3/1/2019	8/31/2019

Company Name: **Hockamo Corporation**					
Contract Name	**Contract ID**	**Contract Type**	**Contract Period Type**	**Start Date**	**End Date**
Dynamo Corp-Recurring Support Services	29687817.00	Recurring Service	Monthly	9/1/2018	8/31/2019

Company Name: **Hockenberry Facilities Management**					
Contract Name	**Contract ID**	**Contract Type**	**Contract Period Type**	**Start Date**	**End Date**
A1 T&M for Remote Support	29687819.00	Time Materials	Not Applicable	6/9/2018	8/31/2019

Contract Renewal Status



In an MSP's world, the longer the contract the better. Autotask PSA can break down the percentage of clients currently locked into deals that are greater than 12 months vs. a month-to-month contract. The longer a customer is locked into a contract, the better the MSP can forecast. Additionally, if mergers or acquisitions (M&A) are of any interest to the MSP, longer contracts allow them to demonstrate future bookings, which helps boost the company's valuation.

KPI #8: Project Status

How you deliver projects is core to your service portfolio. Track projects to determine which ones are behind or ahead of schedule. Prioritize tasks that are due this week and uncover which projects are at risk, so you can proactively address issues and get things back on track quickly.

For projects at risk, Autotask PSA can track if the project is overdue on calendar days or hours worked by resources, allowing for a comparison of the two. If they are overdue on both time and hours, then one must investigate further as to why that project is way over budget.

Change orders can be inconvenient for both the customer and the MSP. Stay ahead of change orders in Autotask PSA by tracking any time worked out of the project scope. Even if the project is a fixed price, be sure to track changes for out-of-scope work. This will allow you to adjust project templates for the future.

Forecasting capacity is another important factor connected to project status. Essentially, forecasting capacity determines how many projects the MSP can take on in the coming weeks and months. This also ties back to resource utilization, but with a lens specifically for projects. When managing projects, MSPs need to understand what the project burden looks like so that they can answer questions like, "Can I take on 5 on-site projects next week?

Gantt charts view is a great way to keep track of project workloads. This view allows you to visualize when hours are to be delivered and when tasks and projects are due via a calendar display.

Projects At Risk

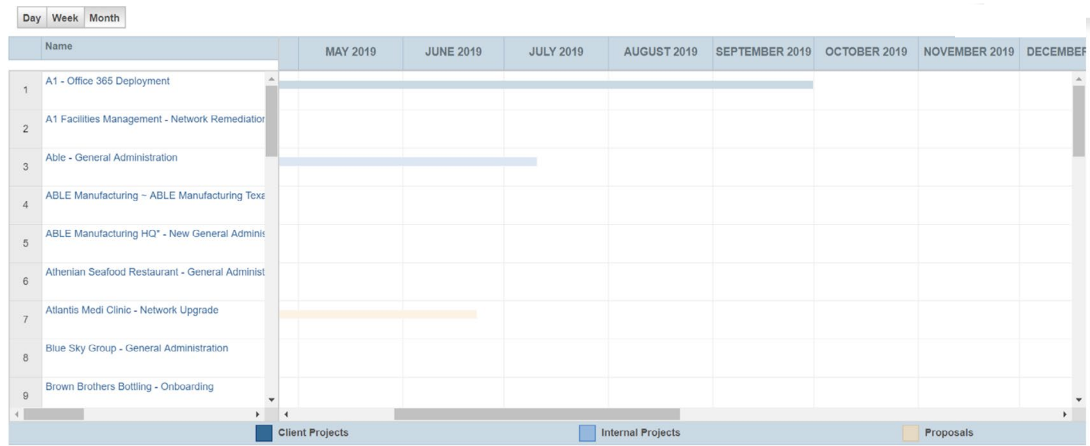
Total: 60	
Amber (Medium)	**10**
Green (Low)	**47**
Red (High)	**3**

Hours To Be Delivered

Total: 1,060.25	
General>Migration	**443.5**
General>Basic Project Work	**367.5**
General>Development	**164.75**
Networking Solutions>Labour/ Projects	**40**
Other	**25.5**
General>Staff Augmentation	**19**

Properly tracking projects will help you avoid spending excess time on projects that can result in losses. If tracked correctly at the onset, projects can be one of the most profitable areas of an MSP's business.

Project Search Timeline



KPI #9: Sales Pipeline

A lot of MSPs do not have a dedicated sales team. Oftentimes, there might be one person who is responsible for sales and many other roles within the company. Autotask PSA can help simplify this role via the CRM component for sales forecasting and pipeline. A forecast offers a short-term view, like what deals are likely to close in the next few months, whereas a pipeline offers the overall view of all opportunities that are still at play at various stages of the buying cycle. Be sure to aim for 4X pipeline for each dollar you spend in order to be profitable in your forecast. Why forecast like this?
This is because one in four opportunities is likely to close.

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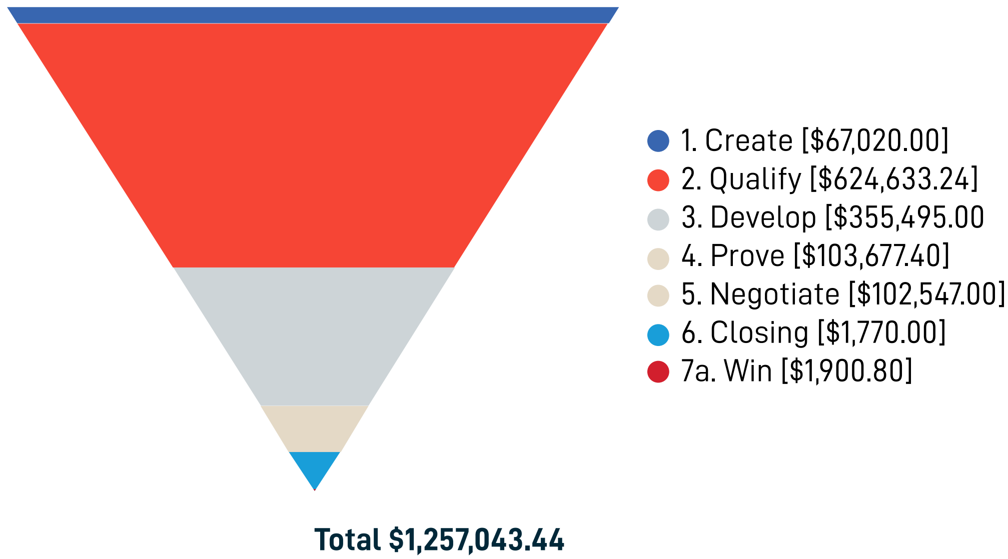
Sales Funnel This Month (Total Revenue)



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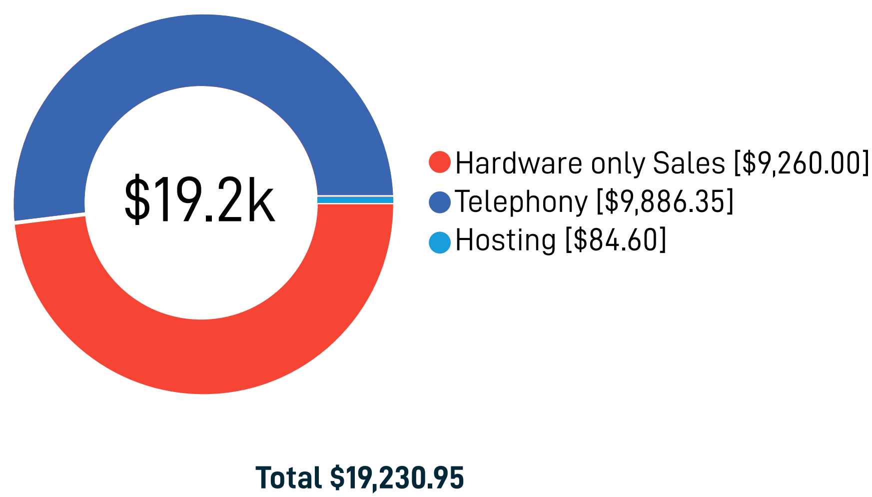
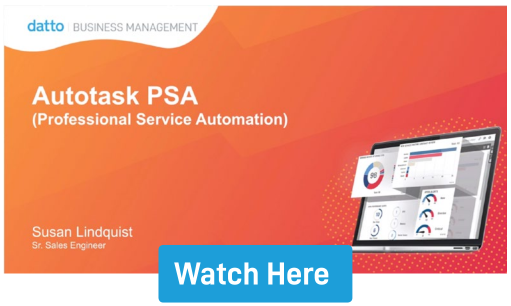
Opportunities Open By Category (Last 90 Days)

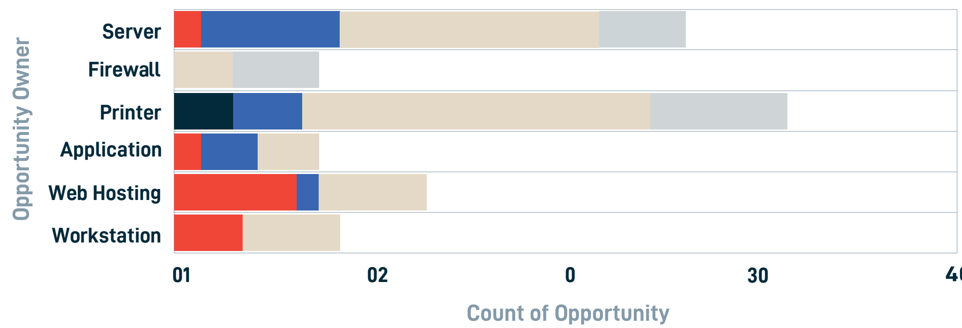


Next, look at the velocity and life cycle of deals. Deal velocity is how long it takes for an opportunity to close. A deal lifecycle, on the other hand, is looking at each stage in the buying cycle to understand where the most time is spent or where deals might be getting stuck. This provides great insight to help improve the speed at which new opportunities will close for the business.

Autotask PSA Demo



Days in Current Stage



- New Lead **(11)**
- Stage 1 First Contact **(2)**
- Stage 2 Qualification **(16)**
- Stage 3 Proposal Sent **(47)**
- Stage 4 Proposal Sent **(14)**

Total 90

Automated workflow rules in Autotask PSA also allow for deal check-ins at 15 days, 30 days, and 45 days, which trigger to-dos to remind sales resources when to follow up with prospects.

KPI #10: Sales Conversion

The last metric goes beyond the pipeline and into closed versus lost deals. This is your sales conversion rate. Every opportunity - won or lost - provides valuable insights into your sales process. Comparing the primary reasons why you won or lost an opportunity over a period of time can help you identify the strengths and weaknesses in your sales efforts. Autotask PSA records opportunity won and loss reasons and displays this through dashboard widgets and reports. This will help you to answer questions such as, "Are we targeting the right types of leads?" With those answers, you can refine the sales approach and build a repeatable process.

Won vs. Lost Deals

- Lost **(25)**
- Closed **(349)**

Total 374

Opportunities Won This Month By Reason

- Product **(4)**
- Price **(6)**
- Relationship **(1)**

Total 11

Lost Opportunities This Month By Reason

- Need **(895)**
- Timing **(501)**
- Competition **(443)**
- Lost Momentum **(662)**
- Duplicate Opportunity **(1,891)**
- Other **(1,161)**

Total 5,553

Conclusion

Start by determining which KPIs are most critical to your business. Think about the things that contribute directly to your business goals: revenue, customer retention, labor cost, efficiency, service-level compliance, etc. Measure these monthly and hold stakeholders accountable.

Measure both operational (real-time) and trending (long-term) performance. Operational data will tell you what's going on and keep things running smoothly (widgets and dashboards are best for this). Trending data will provide guidance on strategic decisions that can change the game (LiveReports and Performance Workbooks are better for this type of reporting). Treat your standard metrics like a focus group. This will tell you where to focus additional analysis. General reports often tell you "what" happened, but not "why." Once you see a problem, go deeper and identify the underlying cause.

Purchase an IT Business Management Solution that does the heavy lifting for you. When you run your business on a single platform that optimizes all of your critical business functions, you can more effectively and efficiently measure the KPIs that are key to your organization's success.

By strategically aligning KPIs to grow revenues and improve service delivery, MSPs can enhance customer experience and prioritize IT services by criticality and impact. Once you're managing IT services as services, not as technical entities, the opportunities for growth and profitability are endless.

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