freshworks

Freshservice Service Management Benchmark Report

Key Metrics

CSAT

100%

INTEGRATIONS

BY INDUSTRIES

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Executive Summary and Key Findings

The current economic pressures have challenged business leaders to drive efficiency[1] and maximize return on their digital investments. Business leaders rely on technology leaders for growth, service experience, and optimization of tools and processes.

There is increased pressure on CIOs to drive digital transformation, adopt intelligence tools, and deliver with fewer resources. Yet, eight out of ten[2] IT organizations overspend on IT service management (ITSM) platform subscriptions by more than 50% of their contract value as they purchase functions that their organizations don't need.

Similar to the challenges faced during COVID-19, this is another 'moment that matters' situation for technology leaders to demonstrate their business acumen. Accelerating business growth, and improving service experience for both customers and employees begins with having the right tools and technologies in place. The time is now to cut down on bloatware and embrace software solutions that are right and work for the business.

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In times of economic challenges, IT plays a critical role in optimizing processes and the use of resources across all functions. IT leaders should not forget to optimize the "business of IT". Tool utilization tracking and optimization, tool rationalization, and optimization of service delivery are key focus areas that will enable IT to run as an efficient business function. Having tools that allow rapid deployment of process changes is equally important for IT and the business to realize value faster.

Prasad Ramakrishnan
CIO of Freshworks

It is with this thought, the annual Freshservice Benchmark Report (FBR) has been created. The objective of the FBR is to create a benchmark index for Key Performance Indicators (KPIs) and encourage organizations to measure their KPIs and benchmark against this index. In doing so, tech leaders can pull levers using solutions that are fast, easy, and powerful that allow them to demonstrate the value of IT to the business.

In its third year, the FBR 2023 anonymously aggregated data from 100+ countries, 7400+ organizations of all sizes, and over 118M+ unique tickets for the period between January and December 2022. The report defines the seven (7) KPIs important for service management leaders that are further analyzed by industry, geography, and organization sizes.

[1] https://about.fb.com/news/2023/03/mark-zuckerberg-meta-year-of-efficiency/

[2] A Buyer's Guide to ITSM Platforms

1.1 Key takeaways from FBR 2023

1 **Fast Time-To-Value:** Organizations realize faster Time-To-Value (TTV) by automating business processes as they see a decrease in Average Resolution Time (ART) by **~23%**. These organizations also resolve end-user queries within the first interaction (FCR at **80.1%**) and maintain their SLAs as high as **96.7%**.

2 **Chat and collaboration:** Employees using chat as a channel experience the least wait time and receive quick resolutions. When employees reach out to IT support via chat and collaboration apps such as Microsoft Teams and Slack, they receive fast responses (on average, within **6 hours**) and a quicker resolution to their issues within the first interaction (FCR at **93.4%**).

3 **Agent productivity:** Leveraging bots to assist agents improves agent productivity. Agents can manage and resolve tickets faster by **57%** and provide faster first responses by nearly **48%**. Bots also help resolve more end-user queries within the first interaction leading to a noteworthy First Contact Resolution (FCR) score of **92.3%**—surpassing the Freshservice Benchmark.

4 **Conversational AI:** AI-powered conversational support results in high ticket deflection rates. Organizations using AI-powered virtual agent(s) experienced a ticket deflection of up to **~46%**, bringing down the volume of commonly recurring issues and allowing agents to focus on critical business operations.

5 **Intelligent suggestions:** Agents can quickly respond and resolve tickets using AI to automatically associate similar incidents. Intelligent suggestions simplify incident management for agents by helping them respond and resolve faster by **23%**.

96.7%
Service Level Agreement (SLA) attainment

93.4%
First Contact Resolution (FCR)

57%
drop in Average Resolution Time (ART)

46%
ticket deflection

23%
drop in Average First Response Time (AFRT)

Data Set and Methodology

The Freshservice Service Management Benchmark Report 2023 (FBR 2023) collected customer data from over 118 million unique tickets from 7436 organizations of all sizes across 106 countries. These 118M+ tickets are from the past calendar year (January to December 2022). The data set was chosen to create an adequate representation of Freshworks' customer experiences across industry, region, and organization size, and most importantly to maintain the anonymity of the data.

Based on data from

14 Industries

100+ Countries

7400+ Organizations

118M+ Tickets

The 7 KPIs of Service Management

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

The FBR 2023 considers seven (7) Key Performance Indicators (KPIs) that are widely used in the industry to measure the efficiency and effectiveness of an organization's service delivery. The benchmark was determined by taking the median across industries, regions, and organizations to create a composite index.

Table 1: The 7 Key Performance Indicators (KPIs) of IT service management

#	Metrics (KPIs)	Freshservice Benchmark 2023	Direction of positive change/impact	Definition
1	Customer Satisfaction (CSAT)	97.4%	Higher the better	An assessment of how satisfied end-users/customers are with the quality of IT services provided.
2	Average First Response Time (AFRT)*	10.73 hours	Lower the better	The time taken for an agent to provide an initial response after an end-user reports an incident or requests a service.
3	Average Resolution Time (ART)*	25.60 hours	Lower the better	The time taken by the service desk team to completely resolve end-user requests and/or issues.
4	Average First Assign Time (AFAT)*	16.95 hours	Lower the better	Also known as in-queue time, this is the time taken for incoming tickets to be assigned to an agent or a group after its initial creation.
5	First Contact Resolution (FCR)	72.0%	Higher the better	The percentage of incoming tickets that are resolved within the first interaction with the end-user.
6	Resolution SLA Percent	95.0%	Higher the better	The percentage of all tickets that have been resolved within the service level agreement.
7	First Response SLA Percent	94.8%	Higher the better	The percentage of tickets for which agents have initiated a first response within the service level agreement.

*All hours are in business hours except for the Average First Assign Time (AFAT) which is in calendar hours. Average First Assign Time (AFAT) is calculated as the difference between the time a ticket was created and the time it first was assigned to an agent/group.

The Right Technology: Improving Agent Productivity and Service Efficiency

4.1 AI-powered ticket deflection

Implementing AI-powered bots equipped with natural language understanding (NLU) helps provide relevant information to employees/end-users resulting in faster resolution of common queries/issues. When end-users receive quick resolutions without the involvement of an agent, it not only empowers end-users, it also alleviates the pressure off of agents so that they can focus on critical business tasks, thereby enhancing overall agent productivity.

Chart 1: Impact of AI-powered bots on service desk tickets

46.10%
Tickets deflected

53.90%
Service desk tickets
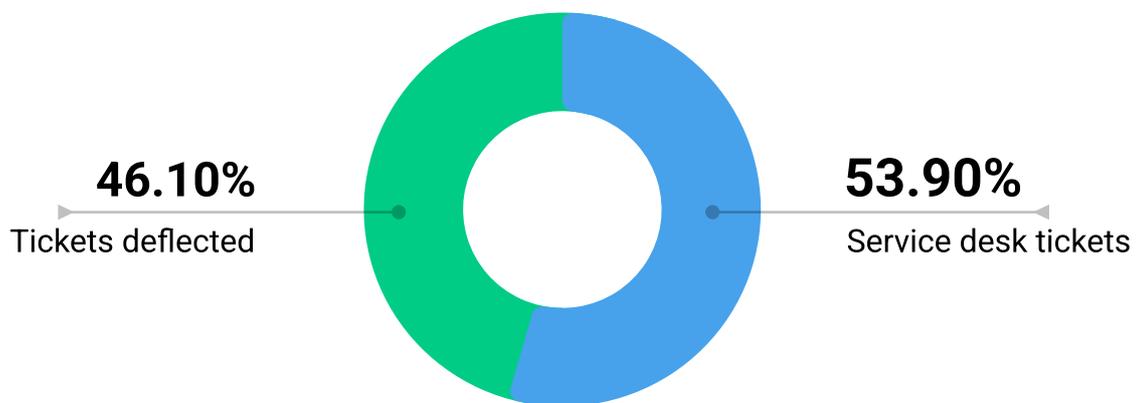
There is 46.10% ticket deflection with AI-powered bots

Key observations

1. **Ticket deflection:** Organizations using AI-powered virtual agent(s) experience ticket deflection rates as high as **~46%**, which means that nearly half of the employee or end-user interactions have been handled solely by virtual agent(s).

2. **Positive service experience:** End-users also get assisted with basic troubleshooting and receive immediate, personalized answers to their queries resulting in a positive service experience.

3. **Reduction in ticket volume:** There is a decrease in the total volume of incoming IT tickets and service requests since the virtual agent(s) assists IT agents by handling multiple interactions and provides conversational support to end-users with commonly recurring issues.

4.2 Bots

Deploying automated bots within collaborative messaging applications can enhance productivity to a large extent. These bots allow agents and end-users to carry out specific ticket-related tasks. It provides instant ticket updates, speeds up approval processes, and creates a collaborative experience for IT teams on chat platforms. These bots also foster a sense of autonomy among end-users and agents by giving them automated solutions to track tickets, making their jobs easier.

↓ 57.28%

decrease in **Average Resolution Time** with bots

26.10 hrs

11.15 hrs

↓ 47.25%

decrease in **Average First Response Time** with bots

10.37 hrs

5.47 hrs

↑ 27.84%

increase in **First Contact Resolution** with bots

72.2%

92.3%

■ WITHOUT BOTS   ■ WITH BOTS

↑ 5.26%

increase in **First Response SLA Percent** with bots

95.0%

100.0%

↑ 5.04%

increase in **Resolution SLA Percent** with bots

95.2%

100.0%

■ WITHOUT BOTS   ■ WITH BOTS
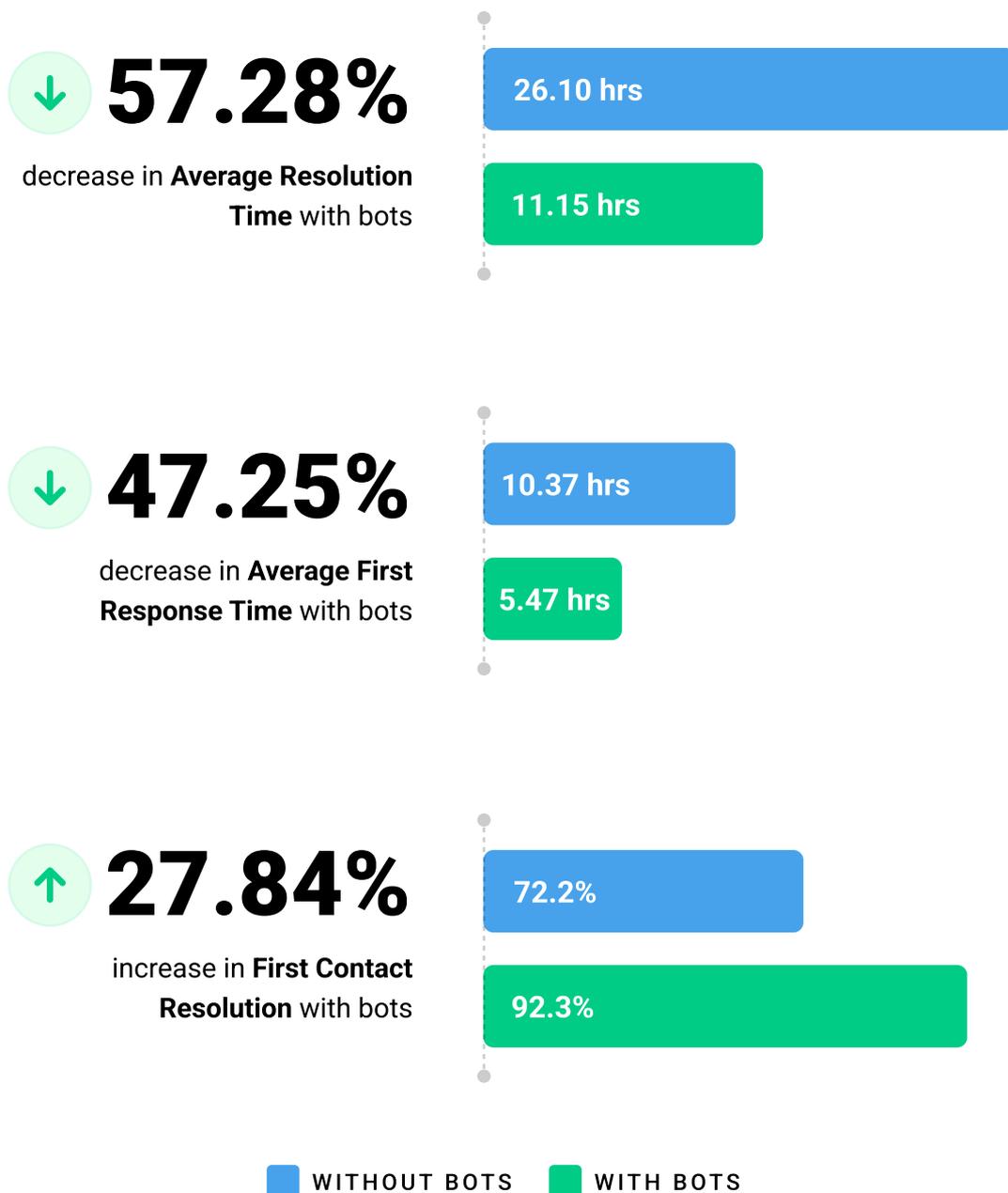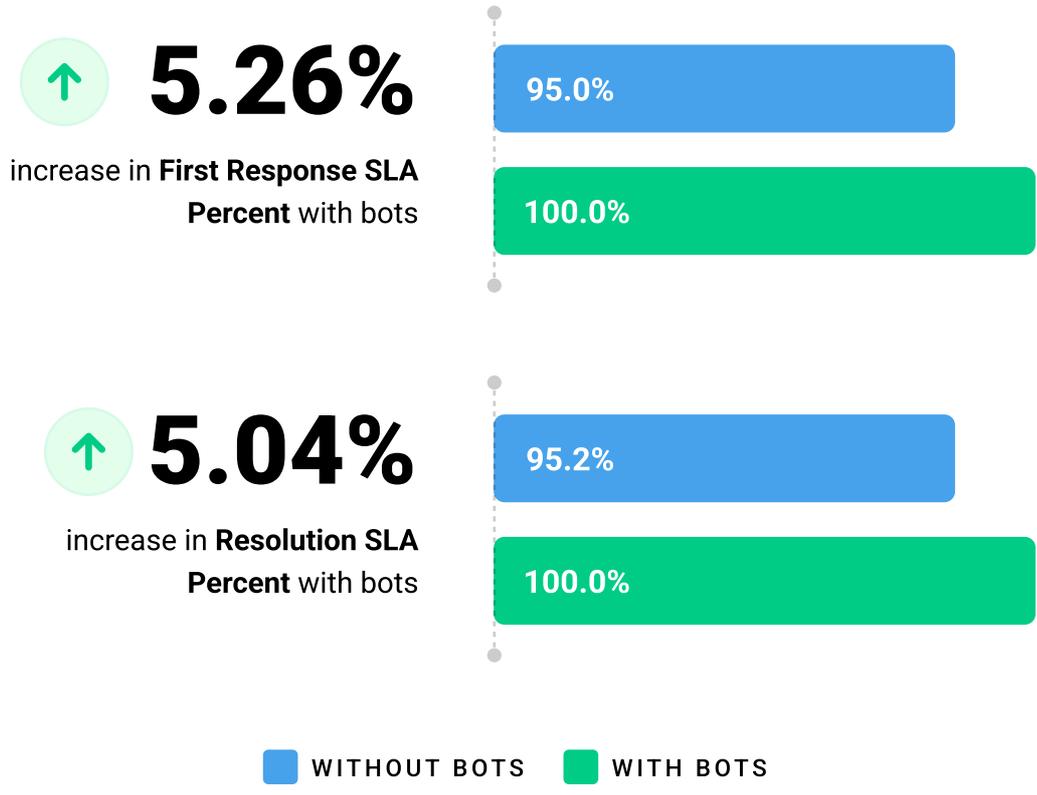
Key observations

1. Organizations using automated bots for agent productivity via collaboration apps such as Microsoft Teams and Slack see an improvement across almost all KPIs.

2. IT teams resolve tickets faster with the help of automated bots as the Average Resolution Time (ART) drops significantly by a whopping **57.28%**. This reflects positively on their SLAs (averaged at **100%**). This means that agents can collaborate and quickly resolve tickets by tracking the ticket lifecycle right within their chat channels.

3. Employees and end-users also receive faster first responses from IT agents. The Average First Response Time (AFRT) improves by **47.25%**. The First Contact Resolution (FCR) increases to **92.3%** (**~28%** more than our benchmark), thus indicating that end-users have a higher chance of receiving a resolution from the first interaction.

4.3 Intelligent suggestions

Machine learning-based intelligent recommendations automatically suggest similar incidents when agents work on tickets. These smart suggestions drive faster, more efficient, and standard incident case resolution for service desks. Predictive intelligence helps in categorizing, prioritizing, and managing incidents based on historical data, and constantly refines suggestions over time.

↓ **23.30%**

decrease in **Average First Response Time** with similar incident suggestions

10.73 hrs

8.23 hrs

↓ **22.41%**

decrease in **Average Resolution Time** with similar incident suggestions

25.61 hrs

19.87 hrs

■ WITHOUT SIMILAR INCIDENT SUGGESTIONS   ■ WITH SIMILAR INCIDENT SUGGESTIONS
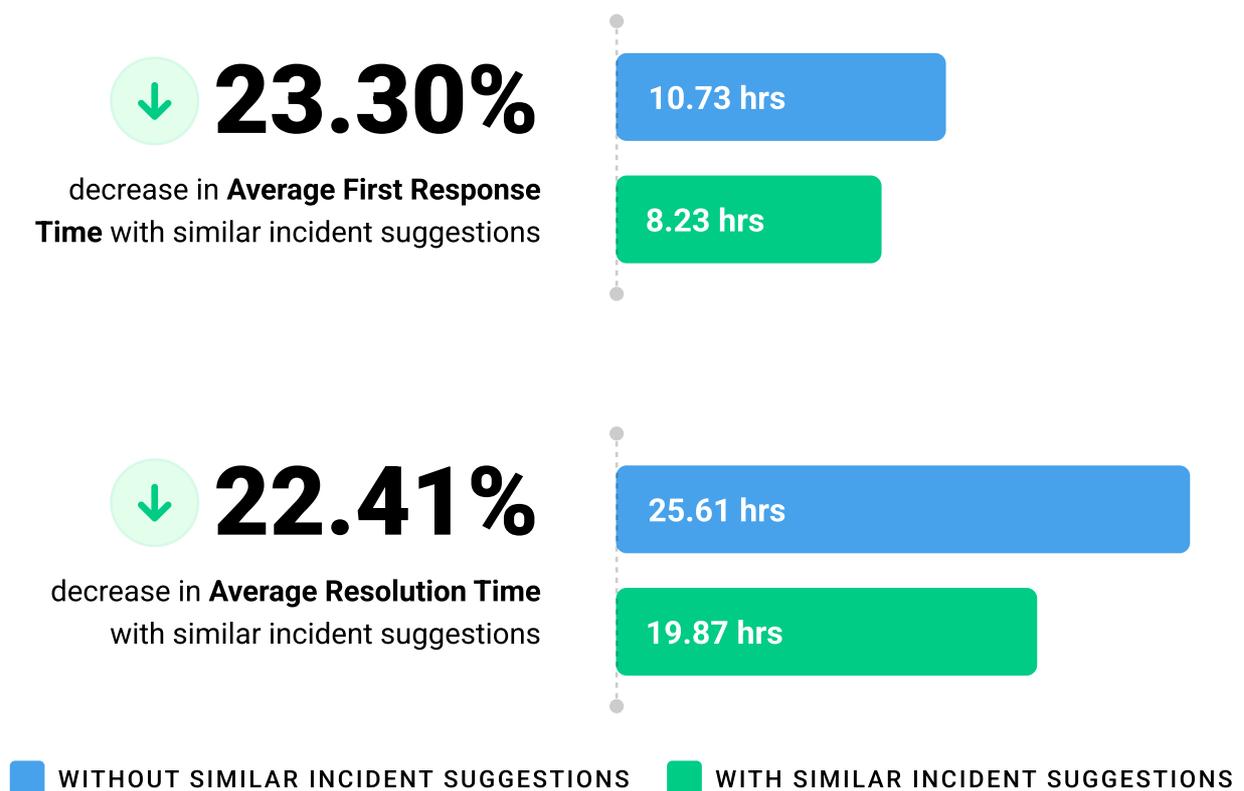
Key observations
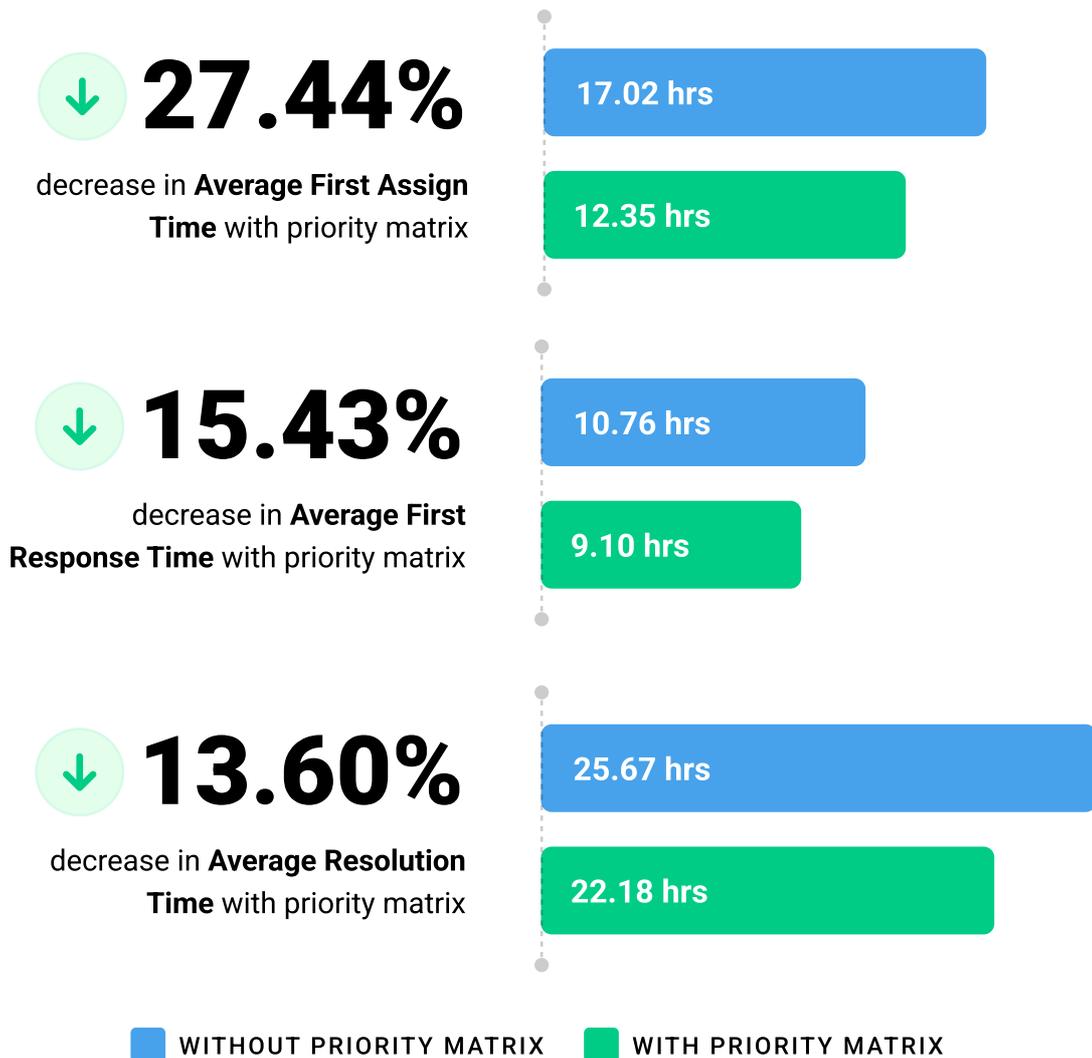
1 Organizations using ML-based automatic suggestions have agents responding to incidents faster by **~23%** and see the Average Resolution Time (ART) improve by **~22%**.

2 Smart suggestions help agents resolve large volumes of incoming incidents by providing contextual information about previously resolved similar incidents, making it faster and easier for agents to handle tickets.

4.4 Priority matrix

The priority matrix defines the importance of an incident for service desk teams to assess how quickly issues need to be acted on and resolved, thereby setting an expectation with customers and end-users on the promised resolution timing. Priority matrices automatically organize incidents based on their impact and urgency. When put into practice, this technique empowers IT teams to objectively rank priorities and bring overall transparency between IT and the business.

↓ 27.44%

decrease in **Average First Assign Time** with priority matrix

17.02 hrs

12.35 hrs

↓ 15.43%

decrease in **Average First Response Time** with priority matrix

10.76 hrs

9.10 hrs

↓ 13.60%

decrease in **Average Resolution Time** with priority matrix

25.67 hrs

22.18 hrs

■ WITHOUT PRIORITY MATRIX   ■ WITH PRIORITY MATRIX

Key observations

1   When organizations implement a priority matrix to prioritize incoming tickets, there is a drop in the Average First Assign Time (AFAT) by **27.44%**. The First Response and Resolution Time also improve by **15.43%** and **13.60%** respectively, indicating that priority matrices enable agents to manage their ticket workload with more focus on critical and time-bound incidents.

The Spotlight: Achieving Fast Time-To-Value at Scale

5.1 Scenario automation

Automating manual tasks that are frequent, repetitive, and simple is the best way to increase agent productivity and prevent agents from spending valuable time on unimportant tasks. Scenario automation significantly improves the service desk experience for agents by making it easier to automate multiple actions while working on a ticket and quickly manage recurring scenarios such as ticket assignment, categorizing, and status updates.

↓ **7.11%**

decrease in **Average Resolution Time** with scenario automation

26.46 hrs

24.58 hrs

🟦 WITHOUT SCENARIO AUTOMATION   🟩 WITH SCENARIO AUTOMATION
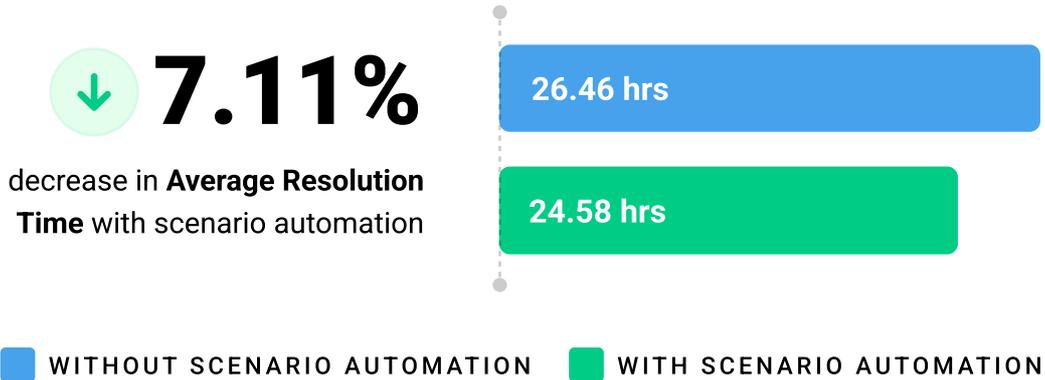
Table 2: Impact of the number of scenarios on KPIs

Number of scenarios	First Contact Resolution %	Resolution SLA%	First Response SLA%
0	71.5	95.0	95.0
1 to 10 scenarios	72.3	94.8	94.7
11 to 50 scenarios	74.3	95.6	95.5
50+ scenarios	80.1	96.7	96.6

📝 Key observations

1 Nearly 40% of organizations are using scenario automation for time-consuming and repetitive ticket-related tasks.

2 Tickets are resolved faster when scenario automation is set up as there is a decrease in the Average Resolution Time (ART) by **7.11%.**

3 When recurring tasks continue to be automated, there is a steady improvement in the First Contact Resolution (FCR). FCR peaks (**80.1%**) when service desks have automated 50+ scenarios.

5.2 Workflow automation

Organizations usually have a lot of operational tasks that need to be done on a day-to-day basis. Eliminating these mundane and routine tasks with workflow automation puts more time back in an agent's day, provides relief from workloads, improves service desk efficiency, and streamlines operations. Automated workflow systems also help scale your business with better time management and focus on core business goals.

↓ **20.72%**

decrease in **Average Resolution Time** with workflow automation

31.61 hrs

25.06 hrs

🟦 WITHOUT WORKFLOW AUTOMATION   🟩 WITH WORKFLOW AUTOMATION

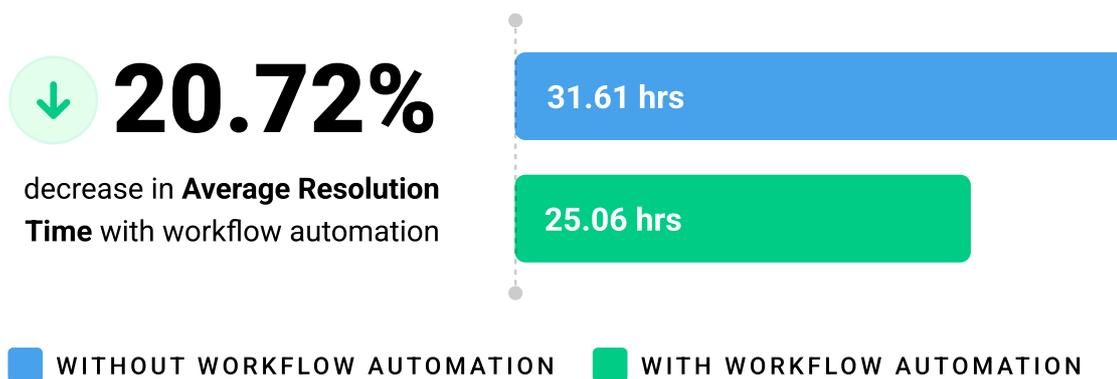**Table 3: Impact of the number of workflows on average resolution time**

Number of workflows	Average Resolution Time (in hrs)
0	31.61
1 to 10 workflows	25.56
11 to 50 workflows	24.48
50+ workflows	24.59

Key observations

1 Over 88% of organizations have streamlined business processes using workflow automations.

2 Organizations of various sizes see a decrease in the Average Resolution Time (ART) with workflows in place—anywhere between **~14%** and **~36%**. However, commercial businesses (500 to 1000 employees) reap the benefits of automation as the resolution time drops by **36.48%**.

3 When service desks continue to automate using workflows (anywhere between 11 to 50 workflows), agents resolve tickets faster by **~23%.**

5.3 Service desk integrations

Integrating with third-party applications helps in the smooth flow of data, making collaboration easier, and delivering uninterrupted experiences across the organization. They help service desks bridge silos, improve time to resolution and visibility, and reduce costs. As organizations scale up their operations, integrations allow agents to quickly and seamlessly merge essential capabilities into existing service desks, thereby improving the solution's scope and overall user experience.
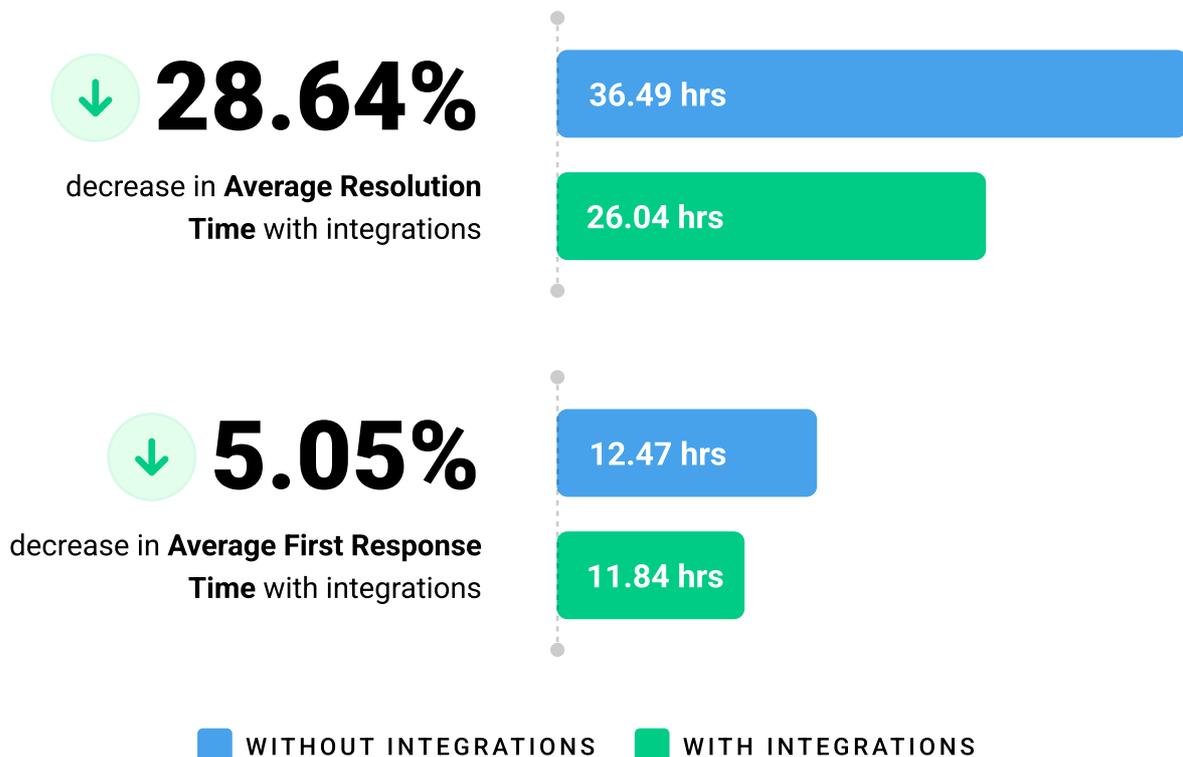
↓ **28.64%**

decrease in **Average Resolution Time** with integrations

36.49 hrs

26.04 hrs

↓ **5.05%**

decrease in **Average First Response Time** with integrations

12.47 hrs

11.84 hrs

■ WITHOUT INTEGRATIONS   ■ WITH INTEGRATIONS

Table 4: Impact of the number of integrations on KPIs

Number of integrations	Average First Response Time (in hrs)	Average Resolution Time (in hrs)
0	12.47	36.49
1 to 10 integrations	11.91	26.30
11+ integrations	9.89	20.16

Key observations

1. When organizations leverage proven, feature-rich third-party technology to expand their service desk's capabilities, the resolution time improves by **~29%**.

2. Service desks with versatile applications (11+ integrations) significantly improved their Average Resolution Time (ART) by **~45%** and Average First Response Time (AFRT) by **~21%.**

5.3.1 Integration categories
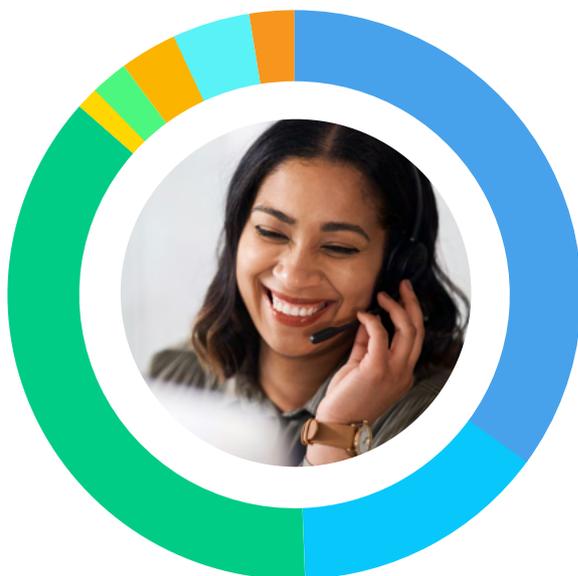
35.0%	Agent Productivity
14.5%	Assets & Incident Management
37.1%	Bots & Workflows
1.3%	Chat, Video & Telephony
2.1%	Data Sync & Migration
3.2%	Issue Tracking & Alerts
4.4%	User & Access Management
2.4%	Others*

*Others include CRM, Sales & Marketing, Field Service Management, File Sharing & Collaboration, Knowledge & Content Management, Reporting & Analytics, Surveys & Feedback, Time Tracking, Accounting & Billing and Security, Risk & Governance

Chart 2: Representation of various marketplace application categories

Key observations

1 **Work flows when automation grows**

As organizations continue to automate more tasks, they can streamline end-to-end processes making them more efficient, reliable, and scalable. This is why **37%** of integrations belonged to the Bots and Workflows category. We continue to see an upward trend in this category due to a whopping **50%** increase in installed applications compared to the previous year. When setting up workflows, service desks realize value and resolve tickets faster by automating frequent, repeatable processes using third-party software integrations.

2 **Productivity and performance are synonymous**

According to the FBR 2023, integrating with applications that tend to boost agent productivity continues to be a preference. Over **35%** of applications integrated with a service desk belonged to the Agent Productivity category. Agent short-cuts and quick tricks are invaluable in making operational processes much easier. Leveraging productivity apps such as Google Calendar, Zoom, TeamViewer, GitHub, and more, allows agents to manage their workload, collaborate better, and provide quick resolutions.

3 **Minimizing downtime starts with taking control**

During challenging economic environments, increasing visibility and control of IT inventory, including hardware, software, and supporting servers, and coordinating inventory with employee requirements is needed to derive measurable business value from IT investments. Over **14%** of applications belonging to the Assets and Incidents category were integrated with service desks. Fully integrating and automating incident response processes minimizes downtime and costs associated with outages for the business.

The Key to CSAT: Prioritizing Employee Experience

6.1 Knowledge base

A comprehensive knowledge base that provides self-service solutions to incidents and problems helps end-users resolve their issues using a knowledge management portal. Doing so empowers employees and eliminates the need to wait for an agent to respond, allowing employees and agents to focus on high-value business activities.

1.2 hrs
agent hours saved per ticket

| 26.39 hrs |
| 25.37 hrs |

■ WITHOUT KNOWLEDGE BASE   ■ WITH KNOWLEDGE BASE
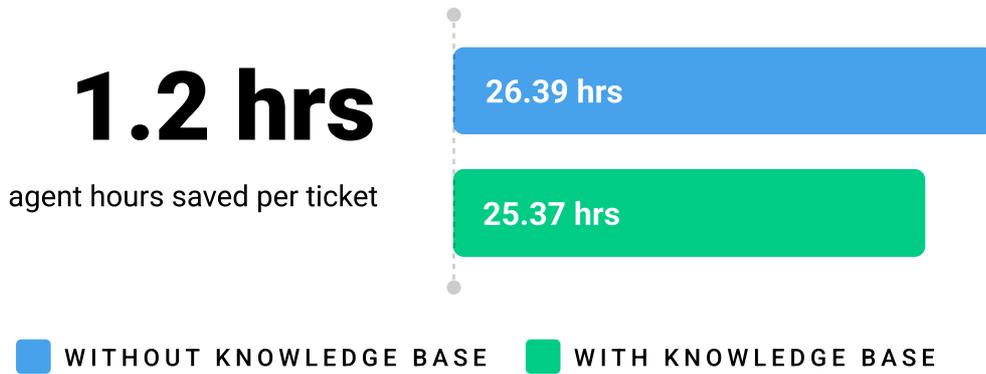
Table 5: Impact of the number of kbase articles on average resolution time

Knowledge base articles	Average Resolution Time (in hrs)
0	26.39
1 to 10 articles	26.09
11 to 50 articles	25.04
50+ articles	24.98

Key observations

1. More than 70% of organizations have set up a knowledge base to tackle incoming L1 tickets, and these organizations were able to save agents' time spent working on a ticket by **1.2 hours**.

> **Tip:** Number of hours saved = (Tickets received in a year) x 1.2 hours

2   When an optimal number of knowledge base articles (50+ articles) are made available, the Average Resolution Time (ART) improves further, indicating that agents resolve tickets faster by suggesting templatized solution articles for commonly recurring issues.

3   Small businesses (less than 250 employees) realize greater value in implementing a knowledge base, as their resolution time improves by **11%**, surpassing our benchmark. These organizations generally experience more commonly recurring L1 tickets that can be resolved with the help of relevant solution articles.

6.2 Service catalog

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

1.3 hrs

agent hours saved per ticket

| 26.48 hrs |
| 25.15 hrs |

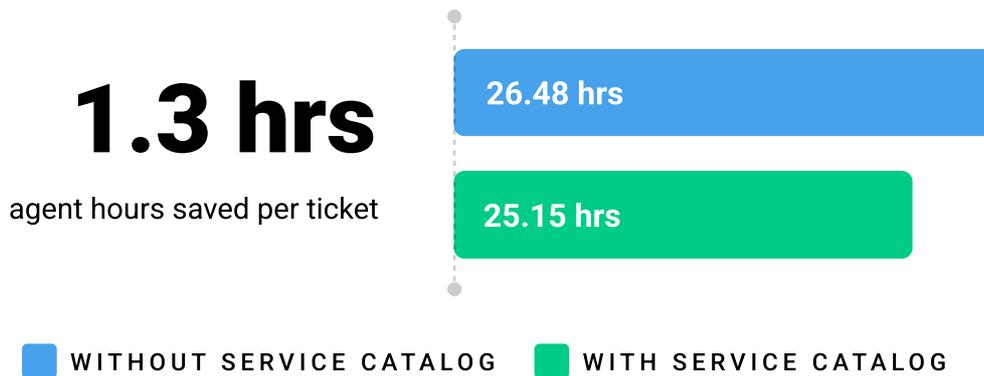🟦 **WITHOUT SERVICE CATALOG**   🟩 **WITH SERVICE CATALOG**

Table 6: Impact of the number of service items on KPIs

Service catalog items	Average Resolution Time (in hrs)	First Contact Resolution %
0	26.48	72.0
1 to 10 service items	25.16	71.3
11 to 50 service items	25.83	72.6
50+ service items	22.29	74.6

📝 Key observations

1   Nearly 57% of organizations use a service catalog to facilitate self-service capabilities for end-users requesting services.

2   When a service catalog is available, IT agents can cut down on time spent working on a ticket. The Average Resolution Time (ART) drops, and they save up to **1.3 hours**, resulting in productive hours spent working on service requests.

3   Organizations see a decrease in the Average Resolution Time (ART) by nearly **16%** when more than 50+ services are made available for end-users.

4   When end-users are provided with multiple options of service items/services to choose from (50+ service items), requests are resolved without multiple interactions. This can be corroborated by a high FCR (**74.6%**).

6.3 Channels of choice

Employees today expect a consumer-grade experience from their IT teams and want to be engaged in their channels of choice. In this world of 'anywhere operations', employees will continue to use disparate channels such as email, phone, chat, etc. to reach their IT teams. Employees want a consistent service experience irrespective of the channel(s) they choose for engagement. However, some channels fare better than others in employees' service experience.

Table 7: Impact of popular support channels on KPIs   🟩 HIGHEST   🟦 LOWEST

Service desk ticket sources	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
Freshservice Benchmark	10.73	25.60	16.95	72.0	95.0	94.8
Chat	6.00	12.17	0.05	93.4	100.0	100.0
Email	9.19	21.93	15.25	72.3	96.4	96.5
Phone	13.82	30.05	5.77	90.0	96.3	95.9
Portal	11.30	27.97	15.77	68.8	93.6	93.1

Chart 3: Popular channels of incoming service desk tickets

- 🟦 **57.0%** Email
- 🟩 **7.4%** Phone
- 🟩 **34.3%** Portal
- 🟧 **0.9%** Chat
- 🟧 **0.2%** Walkup
- 🟦 **0.2%** Others*
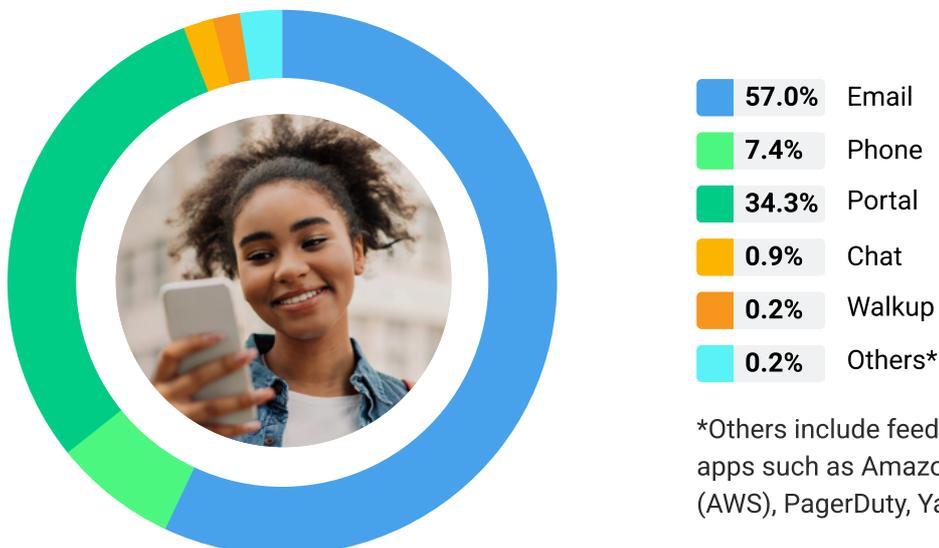
*Others include feedback widget and apps such as Amazon Web Services (AWS), PagerDuty, Yammer

Key observations

1 **Chat is one of the fastest support channels**

Over the years (FBR 2021 and FBR 2022), we observe that when end-users raise requests via chat, they get their issues resolved faster. This observation remains consistent for this year as well. Tickets recorded via chat were resolved **52%** faster compared to our benchmark. It takes just **3 minutes** to assign tickets and agents provide a first response within **6 hours**. They also resolve issues in the first interaction (**93.4%**) and keep their Resolution SLA Percent and First Response SLA Percent at **100%** (averaged).

2 **Email is the indispensable support channel**

Email continues to be the preferred channel of choice for end-users to raise requests and reach out to IT support. Compared to other channels, email support ranks as the most consistent channel over the last two years (FBR 2021, FBR 2022) and continues to top the charts. Organizations having an email support channel recorded a significant portion of IT tickets (**57%**) received via email. Apart from its ease of use, convenience, and familiarity with end-users and service desk agents, email preference can be attributed to psychological aspects where end-users think that approaching IT support via business emails promotes professionalism and a higher chance of getting their issues resolved on priority.

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

In 2022, we noticed a spike in the number of tickets being raised via self-service portals—a **~23%** increase compared to 2021. However, end-users experience a longer wait time (**~30+ hours** on average) to get a resolution and only **68%** of tickets get resolved in the first interaction. This calls for an effective and optimized portal across devices (mobile, laptop, tablet, etc.) for end-users that builds familiarity, convenience, and automation into the self-service processes.

Global Benchmarks and Industry Snapshots

7.1 Benchmark by industries

The FBR 2023 analyzed the data across 14 industries to draw insights and understand how industries compare against each other. The key metrics discussed in section three (3) are broken down by industry in the table below.

Table 8: Freshservice Benchmark by industries   🟩 H I G H E S T   🟦 L O W E S T

Industry categories	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
Freshservice Benchmark	97.4	10.73	25.60	16.95	72.0	95.0	94.8
Business Services	97.7	9.48	24.50	15.35	71.5	95.6	95.2
Construction and Real Estate	98.4	9.69	23.95	14.32	70.0	95.0	94.7
Consumer Products and Services	98.3	11.03	26.10	14.40	70.2	97.7	96.8
Education	96.9	11.66	30.76	20.63	70.0	93.8	93.4
Energy	97.2	11.61	26.95	16.18	71.2	97.2	97.0
Financial Services	98.4	9.45	23.49	14.47	75.2	94.9	94.9
Government and Non-Profit	97.4	12.37	28.97	19.07	70.0	95.2	95.0
Healthcare	96.9	11.83	24.28	18.70	71.9	94.4	94.2
Leisure and Hospitality	97.6	11.00	28.59	17.23	72.0	95.2	95.2
Logistics and Transportation	95.9	10.64	24.02	15.62	72.7	96.1	95.9
Manufacturing	96.6	11.92	28.44	17.71	72.3	94.2	94.0
Media and Internet	93.8	10.30	20.52	13.79	76.2	95.3	94.9
Retail and E-Commerce	98.0	11.58	26.76	18.11	73.3	94.2	94.3
Software	97.5	9.88	22.78	16.67	73.3	95.0	94.9

Key observations

1 **Financial Services understand the need for speed when providing the first response**

This industry is the quickest to provide a first response (within **9.45 hours**) to end-users reaching out for IT support. First responses tend to play a crucial role in determining the levels of customer satisfaction and this reflects in their high CSAT score (**98.4%**). Financial Services tops our list for having an efficient service management system in place which has a positive impact across almost all KPIs.

Tip: This industry's KPIs have consistently surpassed our benchmark every year. Setting up a dedicated knowledge base, using chat as a channel of support, adopting AI technologies, and automating processes can bring down the Average Resolution Time (ART) significantly, and improve First Contact Resolution (FCR). When efficient systems are in place to reduce the resolution time of a ticket, service desks are able to meet their SLAs.

2 **Education takes the longest time to resolve end-user's issues**

The Education industry is relatively slow to resolve end-user issues as their Average Resolution Time (ART) is recorded at **30.76 hours**. This is possibly a result of their First Assign Time (FAT)—taking as long as **20.63 hours**. Delays in ticket assignment and resolution consequently impact their Service Level Agreements (SLAs).

Tip: Leveraging different existing ticket assignment mechanisms such as round robin, first-in-first-out, or defining your own process with automations can significantly reduce assign time and ticket backlogs. Using a priority matrix to establish criticality of tickets can improve the in-queue time for tickets.

3 Energy delivers on its Service Level Agreements (SLAs)

The Energy sector has one of the highest Resolution SLA Percent at **97.2%** and First Response SLA Percent at **97.0%**, surpassing the Freshservice Benchmark. However, we observe that Energy takes longer than a day to resolve end-user issues (**26.95 hours**), but they keep up their service commitments.

Tip: Setting up SLAs based on the current performance of your agents and service desk objectives is critical. Technologies such as automations and AI-powered bots can alleviate agents from the burden of repetitive, tedious tasks and help maintain SLAs. Automation rules can also be set to notify administrators when SLAs are at risk of being violated.

4 Healthcare resolves tickets within a day

Organizations in Healthcare resolve IT tickets within **24 hours** (averaged), despite taking longer hours to assign tickets. Most Healthcare end-users receive a resolution from the first interaction with IT as this industry also maintains a high First Contact Resolution (FCR) at **71.9%**.

Tip: Auto-assignment conditions and workflows assign tickets based on agents' availability and speed up time to resolution. Repetitive steps such as ticket assignment, due date changes, status updates, etc. can be managed best through scenario automation. Condition-based workflows for various processes help manage time and effort and are cost-effective.

5 Government and Non-Profit are slow to provide the first response

Organizations in this industry take the longest time to provide the first response (**12.37 hours**) to end-users. They also take longer than a day to provide a resolution to end-users (**28.97 hours**). However, they keep their end-users happy as their CSAT score of **97.4%** is on par with our benchmark.

Tip: To improve the First Response Time (FRT), organizations can leverage the power of workflow automations, and implement a priority matrix that will help agents prioritize important issues. Setting up canned response templates can also help agents respond to commonly recurring issues faster.

5 **Construction and Real Estate companies have happier end-users**

Businesses in property development have the highest Customer Satisfaction (CSAT) score of **98.4%**. These organizations also have a lower assign time, response time, and resolution time—all four (4) metrics surpassing the Freshservice Benchmark.

Tip: Quick responses and effective resolution generally lead to a better experience for end-users. Being accessible and available across multiple channels and giving the end-users a choice in how they wish to engage with support has been shown to improve end-user/customer satisfaction.

6 **Media and Internet companies score well in ticket assignment and resolution**

Media and Internet resolve end-user issues in less than a day (**20.52 hours**) and score the highest for First Contact Resolution (FCR) at **76.2%**—surpassing our benchmark. However, it is interesting to note that they score the lowest in CSAT (**93.8%**).

Tip: In the FBR 2021, Media and Internet lagged in most of the KPIs. However, this year, the industry is leading in resolution and FCR. Leveraging AI-powered technologies such as chatbots, virtual agents, similar incident suggestions, etc. can improve service desk KPIs.

7.2 Benchmark by regions

With organizations operating remotely across the globe and serving customers internationally, tracking metrics can become slightly complicated. Organizations and end-users in different countries seem to have strikingly different assessments of their experience. Aggregate measures of customer satisfaction and service desk metrics across countries and regions have the potential to provide leaders with broad-based benchmarks of performance across their offices globally.

Table 9: Freshservice Benchmark by regions

🟩 HIGHEST 🟦 LOWEST

Region	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
Freshservice Benchmark	97.4	10.73	25.60	16.95	72.0	95.0	94.8
Asia-Pacific	92.0	9.35	20.89	10.46	78.8	93.5	93.3
Australia and New Zealand	97.1	11.89	26.57	21.33	73.6	95.2	95.0
Europe	96.7	11.84	23.84	20.79	72.6	96.3	96.2
Latin America	95.7	10.43	21.72	10.55	80.3	93.6	93.6
Middle East and Africa	95.2	10.40	21.27	10.46	80.7	92.3	93.1
North America	98.3	10.11	28.63	15.79	69.7	94.5	94.2

Key observations

1 **North America knows best when it comes to keeping end-users happy**

This region sees happier end-users after an interaction with IT support. They score the highest on Customer Satisfaction (**CSAT at 98.3%**) despite a longer resolution time (**28.63 hours**) and a lower First Contact Resolution (**69.7%**).

2 **Europe understands the importance of delivering on service commitments**

Organizations in Europe keep up their Service Level Agreements (SLAs) and surpass our benchmark by scoring **96.3%** Resolution SLA Percent and **96.2%** First Response SLA Percent.

3 **Asia-Pacific is quick to respond, assign, and resolve IT tickets**

Organizations in this region take the least time to provide a resolution (**20.89 hours**). This is possibly because they assign tickets quickly (**10.46 hours**) and provide the first response within **9.35 hours**. They also have a high First Contact Resolution (FCR) score of **78.8%** surpassing the Freshservice Benchmark. However, Asia-Pacific scores lower than other regions when it comes to Customer Satisfaction (CSAT at **92.0%**).

4 **Australia and New Zealand are slow to respond to end-users**

This region takes the longest time to assign a ticket (**21.33 hours**) and is slower than most regions in providing a first response to end-users (**11.89 hours**).

5 **Middle East and Africa provide a satisfactory resolution to end-users within the first interaction**

Middle East and Africa take the least time to assign a ticket (within **10.46 hours**) and are top scorers when it comes to First Contact Resolution (FCR at **80.7%**).

Table 10: Freshservice Benchmark by countries

🟩 HIGHEST 🟦 LOWEST

Country	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
Freshservice Benchmark	97.4	10.73	25.60	16.95	72.0	95.0	94.8
Australia	96.9	11.95	26.54	20.94	73.8	95.4	95.3
Belgium	95.6	15.66	24.33	27.19	72.7	96.8	96.7
Brazil	95.7	8.66	17.93	15.60	82.7	96.6	96.2
Canada	98.6	10.11	29.90	15.59	69.3	93.1	93.2
Denmark	98.0	13.89	24.39	27.22	77.3	96.9	96.9
France	96.7	14.12	26.10	26.81	73.5	97.7	97.9
Germany	98.5	15.10	28.03	22.23	77.7	95.2	95.3
India	88.9	8.55	17.12	8.55	78.9	94.0	93.4
Ireland	98.3	8.11	22.35	12.68	81.5	98.3	97.5
Israel	94.8	14.06	20.89	19.53	76.7	98.1	97.9
Italy	94.5	13.69	35.23	21.63	75.5	90.9	90.6
Mexico	96.2	8.36	18.10	6.37	77.7	95.5	95.0
Netherlands	90.0	14.10	26.35	23.39	78.6	98.8	98.8

Table 10 (continued): Freshservice Benchmark by countries

🟩 **HIGHEST**　🟦 **LOWEST**

Country	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
Freshservice Benchmark	97.4	10.73	25.60	16.95	72.0	95.0	94.8
New Zealand	97.0	12.08	26.02	22.83	74.0	94.5	94.0
Norway	93.0	10.39	35.20	22.40	72.7	93.2	95.1
Philippines	94.8	12.14	21.38	5.95	73.9	90.5	90.3
Singapore	95.8	9.90	29.85	17.31	72.1	91.3	92.1
South Africa	96.9	8.94	21.63	8.82	80.0	92.5	92.8
Spain	98.3	10.91	21.31	15.36	75.5	98.9	98.4
Sweden	98.2	12.00	27.97	25.35	69.7	95.2	95.3
Switzerland	94.4	14.81	23.22	23.31	74.3	96.7	97.1
Thailand	94.2	11.26	22.28	20.65	76.4	94.6	94.0
United Arab Emirates	93.2	10.75	20.56	9.66	80.8	90.8	90.0
United Kingdom	96.7	9.88	21.60	18.24	69.9	95.9	95.7
United States	98.3	10.10	28.49	15.73	69.7	94.5	94.2

📝 Key observations

Canada leads in customer satisfaction

Canada has the highest rating for CSAT(**98.6%**) amongst all countries, surpassing the Freshservice Benchmark. Despite waiting longer hours to get issues resolved (**29.90 hours**) and multiple interactions to get the best resolution (FCR at **69.3%**), Canadians are happy customers.

The United States has happier end-users despite a longer resolution

Service desks in the United States receive a high Customer Satisfaction (CSAT) score of **98.3%** from end-users. On average, agents in this country take longer hours to provide a satisfactory resolution (**28.49 hours**). However, despite facing longer wait times, end-users are extremely happy with IT's services.

Belgium is slow to respond to issues

When end-users raise a request in Belgium, it takes **15.66 hours** on average for agents to respond. This could be attributed to a longer First Assign Time (FAT) of **27.19 hours**. Despite slower responses, Belgium delivers on their SLAs (**96.8%**), resolves tickets within **24.33 hours** and keeps their end-users happy (CSAT at **95.6%**).

India lags in CSAT despite providing quick resolution to end-users

India records the lowest CSAT at an average of **88.9%.** Despite a lower CSAT score, India is quick to assign tickets (8.55 hours), provides a resolution within **17.12 hours**, and has a high First Contact Resolution (FCR) at **78.9%**—all metrics surpassing the Freshservice Benchmark.

Key observations

Denmark takes the longest time to start working on tickets

On average, it takes **27.22 hours** for a service desk to assign tickets. Despite a longer Average First Assign Time (AFAT), Denmark delivers on its Service Level Agreements (SLAs), resolves queries within **24.39 hours**, and keeps end-users happy (**98.0%**)—all metrics surpassing our benchmark.

Ireland is quick to initiate the first response

Ireland takes the lead in initiating the first response faster than most countries (within **8.11 hours**). They are also quick to assign tickets (**12.68 hours**) and resolve tickets faster (**22.35 hours**) within the first contact (**81.5%**). Ireland maintains their SLAs and scores high in Customer Satisfaction (CSAT at **98.3%**).

Brazil leads in providing accurate resolutions

Brazil ensures that end-users receive resolutions from the first interaction with a service desk and records the highest First Contact Resolution (FCR) at **82.7%**, surpassing our benchmark of **72.0%**.

France delivers on its Service Level Agreements (SLAs)

Service desks in France take longer hours to resolve tickets and provide responses. However, they maintain a higher Resolution SLA (**97.7%**), and First Response SLA (**97.9%**)—both KPIs surpassing the Freshservice Benchmark.

Key observations

Italy takes the longest time to provide a resolution

In Italy, it takes about **35.23 hours** on average for agents to resolve an IT request. Italy also scores the lowest in Resolution and Response SLA percent, indicating breaches in their Service Level Agreements (SLAs).

Mexico is efficient when it comes to assigning tickets

Mexico takes about **6.37 hours** on average to assign an incoming ticket, initiates the first response within **8.36 hours**, and takes **18.10 hours** on average to resolve tickets—all metrics surpassing the Freshservice Benchmark.

The Netherlands deliver on their first response commitments

Organizations in the Netherlands stick to their SLAs when providing the first response. Although it takes **14.10 hours** on average to provide the first response, **98.8%** of tickets receive a first response from agents within the Service Level Agreement (SLA).

United Arab Emirates takes longer to resolve tickets within the SLAs

Organizations in this country surpass our benchmark in Average Resolution Time, Assign Time, and First Contact Resolution (FCR). However, their lower scores in Resolution (**90.8%**) and Response SLAs (**90.0%**) indicate a breach in policies—possibly due to higher expectations of performance levels.

7.3 Benchmark by company size

End-user delight varies widely, depending on which audience IT support organizations serve—customers or internal employees. Employee engagement and happiness are increasingly becoming an integral part of every business strategy. Engaged employees are happier, show higher rates of job satisfaction, perform better, and are deemed the secret to business success. ITSM helps achieve greater operational efficiency which translates to faster and more effective service, increasing the positive experience that customers and employees have with your organization.

Table 11: Freshservice Benchmark by company size   🟩 HIGHEST 🟦 LOWEST

Employee size	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
Freshservice Benchmark	97.4	10.73	25.60	16.95	72.0	95.0	94.8
Less than 250 employees	100.0	10.08	24.47	15.09	72.6	94.8	94.7
251 to 500 employees	97.9	10.65	26.20	16.60	70.0	94.8	94.7
501 to 1000 employees	96.2	11.10	26.60	17.97	71.0	95.2	95.1
Greater than 1000 employees	94.4	11.83	27.06	20.06	73.7	95.3	94.9

📝 Key observations

1 Large organizations with more than 1000 employees are providing a resolution to end-users in the first interaction (**FCR 73.7%**). They also keep up their service commitments and surpass our benchmark. As organizations scale and multiple services are offered, there is an overflow of information. Providing end-users with a unified service catalog and optimal knowledge base solutions can improve First Contact Resolution (FCR).

2 As the employee count starts to grow, service starts to drop. It takes many hours to assign tickets and resolve issues, consequently impacting average Customer Satisfaction (CSAT) which drops down to **94.4%**.

3 Small and medium organizations with an employee count of up to 250 are better at delivering delightful end-user service as they have a high CSAT score of **100.0%** (averaged) and are quick to respond to issues while keeping up their SLAs.

Tip

As organizations scale and incoming ticket volumes keep increasing, implementing intelligent solutions that assist agents in resolving issues faster becomes of utmost importance in order to achieve service desk excellence.

CHAPTER EIGHT

The Road Ahead for Service Management

8.1 Closing thoughts

Today, businesses thrive on business-driven and technology-driven improvements and innovation. With the macroeconomic environment in 2023, IT needs to leverage best practices to optimize and bring in consistency across the organization and stay ahead of the latest trends to remain competitive and successful.

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

1 **Embrace employee-centric IT**

When organizations digitally transform, one of the most critical success factors is 'people'. The human aspect is an important catalyst for such IT transformations where the focus lies on getting the technology in place and working seamlessly. Additionally, sustaining a customer-focused culture requires talented and motivated employees. Keeping existing employees happy and productive is essential for continued success. Businesses need to consciously consider employee productivity and engagement while making decisions about new technologies. IT should selectively evaluate and implement technology solutions and services that will best help employees.

2 **Say hello to intelligent automations**

Organizations have been increasingly implementing codeless development tools and AI-powered abilities to significantly improve digital transformation by automating business processes. They still have many repetitive, manual work tasks that need to be automated to improve the accuracy of core business operations. In addition to the standard robotic process automation (RPA), incorporating a mix of technologies such as natural language processing, chatbots, and intelligent ticket processing as a part of a broader intelligent automation strategy (IA) can streamline workflows and free up agents' time to focus on more strategic work. Democratizing AI by empowering non-technical personnel to build sophisticated models using low-code/no-code platforms is also an essential aspect of modern automation. AI-enabled processes are essential for IT leaders and professionals to optimize product quality, streamline operations, and maximize asset use across various environments.

3 Extend the benefits of service management

Traditional service management technology aspects increase the business value of enterprise service management (ESM) when applied strategically. It is also a route to better, faster, and cost-effective business operations, improving customer satisfaction and increasing employee productivity. Extending and integrating ITSM solutions allows for end-to-end service delivery processes in both IT and business functions to benefit from the digital enablement capabilities of ITSM solutions. While factoring in sharing of ITSM capabilities with other business functions, organizations should focus on improving specific business operations and outcomes and not on the replication of ITSM across the enterprise.
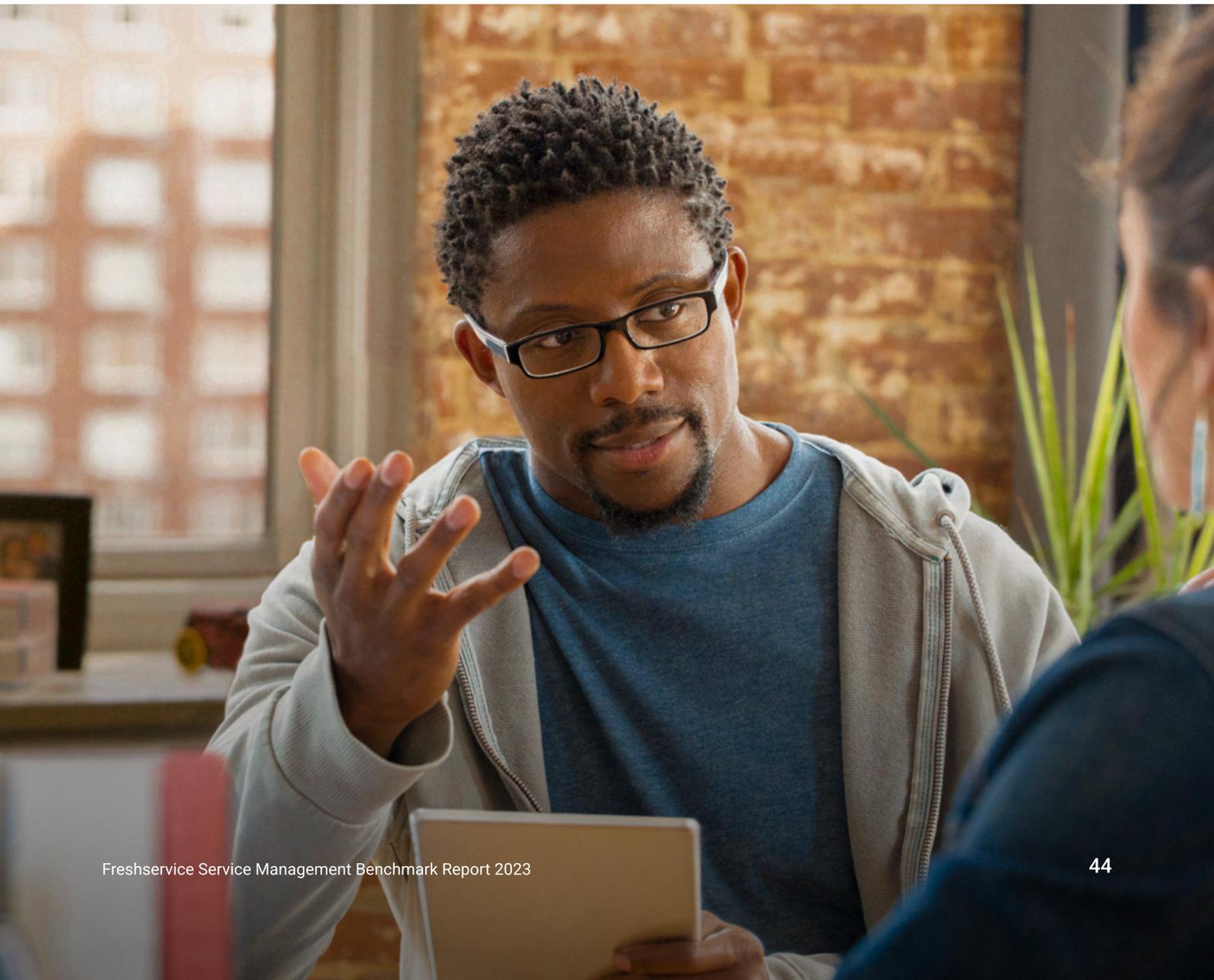
Appendix

9.1 Service management terms and definitions

(1) **Average First Assign Time (AFAT)**

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

- **Measurement:** The sooner tickets get assigned, the better.

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

(2) **Average First Response Time (AFRT)**

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

- **Measurement:** Faster the response, the better.

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

(3) **Average Resolution Time (ART)**

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

- **Measurement:** Quicker the team resolves tickets, the better.

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

4 Customer Satisfaction (CSAT)

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

- **Measurement:** The higher the CSAT percentage, the better.

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

5 First Contact Resolution (FCR)

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

- **Measurement:** The higher the percentage, the better.

- **Tip:** By measuring First Contact Resolutions, you can understand how quickly your IT teams are helping their customers. If your FCR percentage is low, you can improve this metric by incentivizing your agents. FCR also has a direct impact on CSAT.

6 First Response SLA Percent

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

- **Measurement:** The higher the percentage, the better.

- **Tip:** Incorporating a mix of chatbots, and virtual agent(s) along with adequate staffing levels, is more likely to help provide an answer within the first response SLA and increase your SLA percentage.

7 Resolution SLA Percent

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

- **Measurement:** The higher the percentage, the better.

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

9.2 Benchmark your IT team

#	Metrics (KPIs)	Freshservice Benchmark 2023	Direction of positive change/ impact	Your current KPIs	Your organization's aspirational benchmark for 2024
1	Customer Satisfaction (CSAT)	97.4%	Higher the better		
2	Average First Response Time (AFRT)	10.73 hours	Lower the better		
3	Average Resolution Time (ART)	25.60 hours	Lower the better		
4	Average First Assign Time (AFAT)	16.95 hours	Lower the better		
5	First Contact Resolution (FCR)	72.0%	Higher the better		
6	Resolution SLA Percent	95.0%	Higher the better		
7	First Response SLA Percent	94.8%	Higher the better		

10. About Freshworks

Freshworks Inc., (NASDAQ: FRSH) makes business software people love to use. Purpose-built for IT, customer support, sales and marketing teams, our products empower the people who power business. Freshworks is fast to onboard, priced affordably, built to delight, yet powerful enough to deliver critical business outcomes. Headquartered in San Mateo, California, Freshworks operates around the world to serve more than 60,000 customers including Bridgestone, Chargebee, DeliveryHero, ITV, Klarna, Multichoice, OfficeMax, TaylorMade and Vice Media. For the freshest company news visit www.freshworks.com and follow us on Facebook, LinkedIn and Twitter.

10.1 About Freshservice

Freshservice provides intelligent, unified, easy-to-use software that helps businesses modernize employee experience, maximize uptime, and extend services beyond IT. Enterprises using Freshworks for IT realize higher ROI by delivering automated services at scale, achieving fast time-to-value, and improving employee satisfaction and productivity. Extend this all-in-one solution easily across business teams to deliver delight. Visit www.freshworks.com/freshservice/ to learn more.

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