

# Build a performance management approach for ServiceNow

## Frequently asked questions

### Definition

#### How should I approach performance management?

The best performance management initiatives use metrics to inform strategic decisions, guide day-to-day work, and track progress toward defined goals. You should define two different types of metrics:

- Metrics that measure performance against a defined goal
- Metrics that give insight into progress and risks

Also, do what it takes to communicate relevant metrics effectively to the right stakeholders so that they can take action.

Metrics are a means to implement a performance management process that encompasses selecting and tracking the right metrics and putting decision-making capabilities in place to achieve organizational goals.

### Process/implementation

#### How do I select the right metrics to manage performance?

Any time your organizational goals or strategy evolve and/or when your use of the Now Platform changes, review your metrics. Start by understanding your organizational context so you get a clear view into the business outcomes you want to achieve with ServiceNow along with the information that stakeholders need to deliver those outcomes.

Your executive sponsor(s), ServiceNow platform team, service and process owners, and front-line employees (e.g., service desk agents) all have decisions they need to make that are relevant to

your outcomes—these decisions can be informed by metrics. Interviews with your stakeholders can shed light into the metrics that will be most useful to them.

### **How many key performance indicators (KPIs) should I have?**

Define no more than three KPIs to measure performance for *each* business outcome your organization expects to realize with ServiceNow. The KPIs you select should:

- Capture the most important outcomes you expect
- Clearly indicate the activity or process you're measuring
- Be supported by your stakeholders who agree that they're the best indicators of success
- Be consistently defined and interpreted for all stakeholders

### **What other KPIs should I have?**

After you set the KPIs for your business outcomes, define KPIs for:

- Adopting specific capabilities as well as the overall platform
- Now Platform health (e.g., the [HealthScan](#) categories)

### **How do I define the leading indicators of progress or risk?**

Work with process and service owners to identify the best metrics for tracking activities or milestones that support your outcomes, adoption, or platform health. You can surface leading indicators by asking these questions:

1. What short-term activities or milestones are critical to realizing our outcomes?
2. What information do we need to determine if that activity or milestone is on or off track?
3. What other information could predict and influence our ability to realize our outcomes?

This table shows an example of KPIs and typical leading indicators in the IT space.

KPIs (outcomes)	Leading indicators
Fewer incidents caused by changes	<i># of changes per week or month</i> <i># of unscheduled changes</i> <i>% of tests completed per change on average</i>
Faster MTTR	<i>Incident/problem/request average response time</i> <i>Average close time of incidents/problems/requests</i> <i>Average resolution time of incidents/problems/requests</i> <i>Number of incidents/problems/requests closed per agent per week</i> <i># of incidents/problems/requests resolved on first contact</i> <i>% of incidents/problems/requests closed same day opened</i> <i>% of incidents/problems/requests resolved on first contact</i>
Shift work left to a lower and more cost-effective service tier	<i>% of open incidents/problems/requests that were escalated</i> <i>Number of knowledge articles marked helpful</i>

### What ServiceNow capabilities can I use to build our approach?

You can build dashboards for stakeholders to consume metrics and make informed decisions. Use [ServiceNow Performance Analytics](#) to build ServiceNow performance dashboards—you can measure performance in real time, use OOTB dashboards optimized for ServiceNow workflows, and keep data in the Now Platform for improved security.

## Related resources

### How can ServiceNow help?

All performance management resources are available on the [Customer Success Center](#).

- Start by watching our [four-minute video](#) summarizing key concepts.
- Use the [Executive Briefing Deck](#) to facilitate a conversation internally.
- Read the [Build a performance management approach for ServiceNow](#) workbook and the [top KPIs used by customers](#).
- See our resources about [value management for your ServiceNow investments](#).

In addition to our resources on the Customer Success Center, ServiceNow's Customer Outcomes group can assist in planning for and implementing your performance management and metrics strategy. Contact your account executive for more information.