

Why Your Halo AI Business Case Is **Probably Wrong**

And what to measure instead. A practical guide to evaluating Halo AI on the metrics that actually matter — quality, efficiency, and service experience.

MEASURE THIS

FCR

First-contact resolution rate

MEASURE THIS

MTTR

Mean time to resolve

MEASURE THIS

SLA %

Compliance rate across all tickets

NOT THIS

FTEs

Headcount reduction

MEASURE THIS

CSR

Self-service containment rate

MEASURE THIS

eNPS

Agent satisfaction score

The Standard AI Business Case Is Built on the Wrong Metric

The most common AI business case we encounter looks like this: reduce X full-time equivalents, save Y in salary costs, ROI achieved in Z months. It's clean, it's quantifiable, and it's almost always the wrong way to evaluate AI in an ITSM platform.

This framing is understandable. Finance teams want payback periods. Boards want efficiency ratios. Headcount reduction maps neatly to both. But when applied to AI in service management, it creates two serious problems before a single workflow has been configured.

Problem 1: You alienate the people you need most

Your L1 support staff, your knowledge base owners, your process leads — these are the people whose cooperation makes AI work. Tell them their roles are under threat and you've turned potential advocates into sceptics. The resistance that follows is real, and it materially slows adoption. In a domain where AI value is directly proportional to how well the system learns from your data, alienated users produce worse data. The irony is significant.

Problem 2: Headcount reduction rarely happens

Tier 1 ticket volume almost never shrinks. What changes is the quality of how that volume is handled. The hours saved don't disappear from your headcount — they get redirected to higher-value work, better user experiences, and the kind of proactive IT management that prevents incidents rather than just responding to them.

AI in ITSM doesn't make your team smaller. It makes them better at the job they already have.

❌ THE WRONG BUSINESS CASE

✓ THE RIGHT BUSINESS CASE

- Reduce L1 headcount by 20%
- Eliminate 2 FTE in year 1
- Save £X in salary costs
- ROI in 18 months
- Focus on cost reduction

- Lift first-contact resolution by 15%
- Reduce MTTR by 20% across all tickets
- Drive self-service containment to 35%
- Improve SLA compliance to 95%+
- Focus on quality and service experience

The Quality KPIs That **Actually Matter**

If you want to build a credible Halo AI business case — one that will hold up to review, that your team will actually deliver against, and that will tell a true story about the value AI adds — start with these metrics.

KPI	WHAT TO MEASURE	WHY IT MATTERS FOR AI
First-Contact Resolution (FCR)	% of tickets resolved without reassignment	AI routing that gets the ticket to the right person first time directly lifts FCR. Every reassignment is waste — missed SLA risk, duplicated effort, frustrated users. Track this before and after go-live.
Mean Time to Resolve (MTTR)	Average time from ticket open to resolution, by category	AI-powered triage compresses resolution time across all categories. A 15% MTTR improvement across 500 monthly tickets is a material operational win — even if no one leaves the team.
Reassignment Rate	% of tickets reassigned after initial routing	Every reassignment signals a routing failure. Halo AI's intelligent routing model should drive this toward zero. It's a simple metric and one of the clearest indicators of AI effectiveness.
Self-Service Containment	% of queries resolved by portal/virtual agent before reaching a human	Rising containment frees your L1 team to handle work that requires human judgment. A 30-35% containment rate is achievable with a well-configured Halo virtual agent and knowledge base.
Knowledge Deflection	Tickets prevented by AI-surfaced knowledge articles	Halo's AI knowledge suggestions surface relevant articles at the moment of ticket creation. Track how often this prevents a ticket from being

KPI	WHAT TO MEASURE	WHY IT MATTERS FOR AI
		raised at all. Zero-ticket resolution is the highest form of efficiency.
SLA Compliance Rate	% of tickets resolved within SLA	AI routing ensures the right ticket reaches the right person with the right priority. SLA compliance improves as a direct result. This metric is immediately understood by boards and service managers.
Agent Satisfaction (eNPS)	Staff satisfaction score / retention rate	Underused and undervalued. Staff who spend less time on administrative triage and more time on meaningful work are more satisfied — and more likely to stay. Staff turnover in ITSM has a very clear financial cost.

THE COMPOUNDING EFFECT

These metrics don't improve in isolation. Better routing leads to better FCR. Better FCR leads to higher SLA compliance. Higher containment reduces L1 volume, freeing agents for complex work, which improves agent satisfaction. The improvements compound — which is why 90-day reviews consistently outperform two-week snapshots.

Data Quality Is the Foundation

Here's the honest truth about Halo AI that most vendors won't tell you upfront: it is only as good as the data it runs on.

Intelligent routing requires that your ticket categories are correctly configured. Predictive analytics requires historical ticket data with meaningful structure. Knowledge suggestions require a knowledge base that is accurate, current, and maintained. If your ticket categorisation is inconsistent, or your knowledge base hasn't been reviewed in two years, Halo AI will route inconsistently and suggest irrelevant articles.

THE MOST COMMON MISTAKE

Organisations deploy Halo AI before cleaning their data, then conclude the AI isn't working. The AI isn't the problem — the data is. Garbage in, garbage out applies to ITSM AI just as much as it does to enterprise analytics.

Before going live with Halo AI, invest time in these three pre-deployment tasks:

- Category taxonomy cleanup.** Review and rationalise your ticket categories. Inconsistent or overlapping categories confuse the routing model. Aim for clear, distinct categories that map to your actual team structure.
- Knowledge base audit.** Remove outdated articles, update stale content, and identify the top 20 queries that currently generate the most tickets. Make sure each has a clear, accurate knowledge article.
- Historical ticket review.** Review the last 6–12 months of ticket data. Identify patterns: what gets misrouted most? What are your slowest categories? This baseline will be invaluable at your 90-day review.

The Right Business Case Framework

A Halo AI business case that will hold up to scrutiny follows four stages:

STEP 1

Document Baselines

Capture FCR, MTTR, reassignment rate, self-service containment, and SLA compliance before go-live. Without a baseline, you have no story to tell at review. Make this non-negotiable.

STEP 2

Set Conservative Targets

A 10% improvement in first-contact resolution is credible. A 40% L1 headcount reduction in year one is not. Overpromising erodes stakeholder trust faster than any technology problem.

STEP 3

Map Financial Value

Translate quality improvements into financial terms: cost per ticket, cost per incident, cost of SLA breach, cost of staff turnover. These are real numbers that don't require headcount reduction to be compelling.

STEP 4

Commit to 90 Days

AI needs time to learn from your environment. Your team needs time to adapt their working patterns. Don't evaluate at two weeks. Set the expectation with stakeholders before go-live and protect the review timeline.

Halo AI is included in your licence. Let's make sure it's configured to deliver.

Allied ESM is a pure play Halo ITSM partner. We help organisations configure Halo AI correctly, establish the right baselines, and measure what actually matters.

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