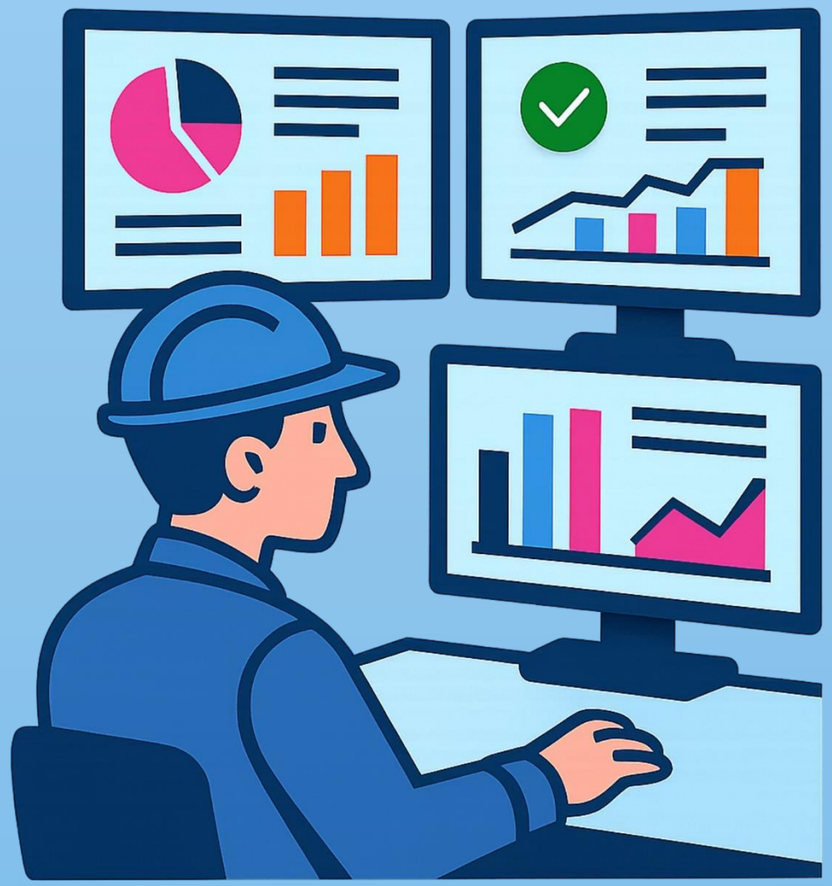
Lakeside®

The Hidden Economy of DEX

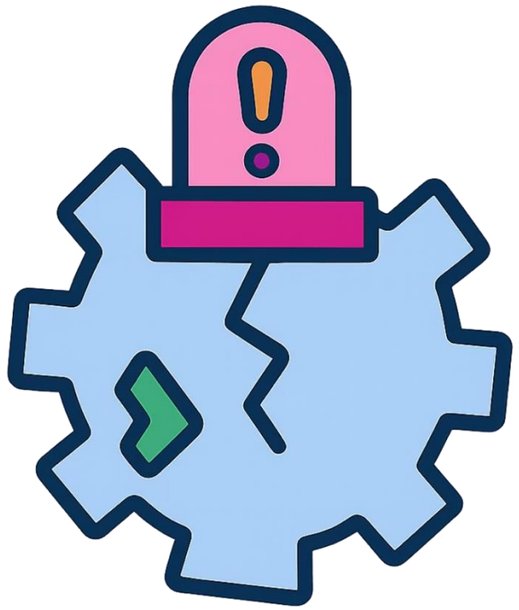


The Hidden Economics of DEX

Most enterprises measure EUC support by ticket volumes and cost per seat. But the real tax lives inside MTTR: in diagnostic investigation, re-diagnosis, and ticket-bouncing.

This session unpacks where money goes, why 13% of incidents drive 80% of lost productivity, and the incredible productivity gains that could be unlocked by applying Site Reliability Engineering (SRE) principles for EUC.

Failure Demand vs. Value Demand



Value Demand

Requests for new services or capabilities that drive business growth.

Failure Demand

Demand caused by IT ecosystem failures or self-service breakdowns. Pure waste — consumes resources just to restore the status quo.

Why Self-Service Fails

Poor Taxonomy

Technical jargon ("DHCP Lease Failure") alienates users describing symptoms in plain language ("Internet is broken").

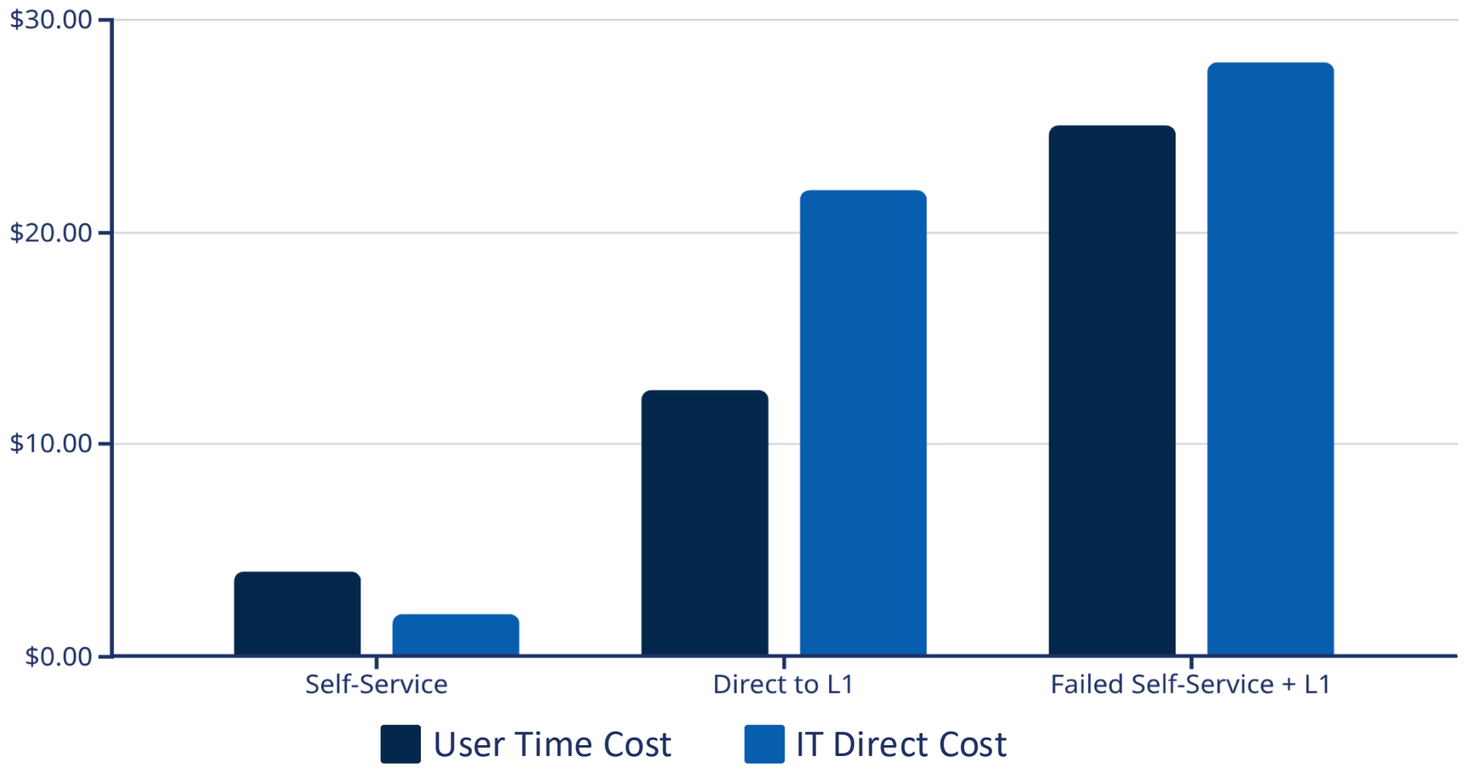
Permissions Gaps

Users find the right fix but lack admin rights to execute it — a dead end that forces escalation and reinforces IT inefficacy.

Dirty Tickets

Failed self-service generates miscategorized tickets, forcing L1 agents to re-triage before any real work begins.

The True Cost of Resolution Channels



A failed self-service attempt doesn't just waste user time — it inflates IT costs too. Total incident cost jumps from **$6 (successful self-service)** to **$53 (failed self-service + L1)** — nearly 9× more expensive.

⚠ Extended L1 Average Handle Time (AHT) compounds user frustration and resource consumption simultaneously.

The L1 Interrogation Economy

L1 is designed for high-volume, low-complexity resolution — but resource allocation tells a different story.

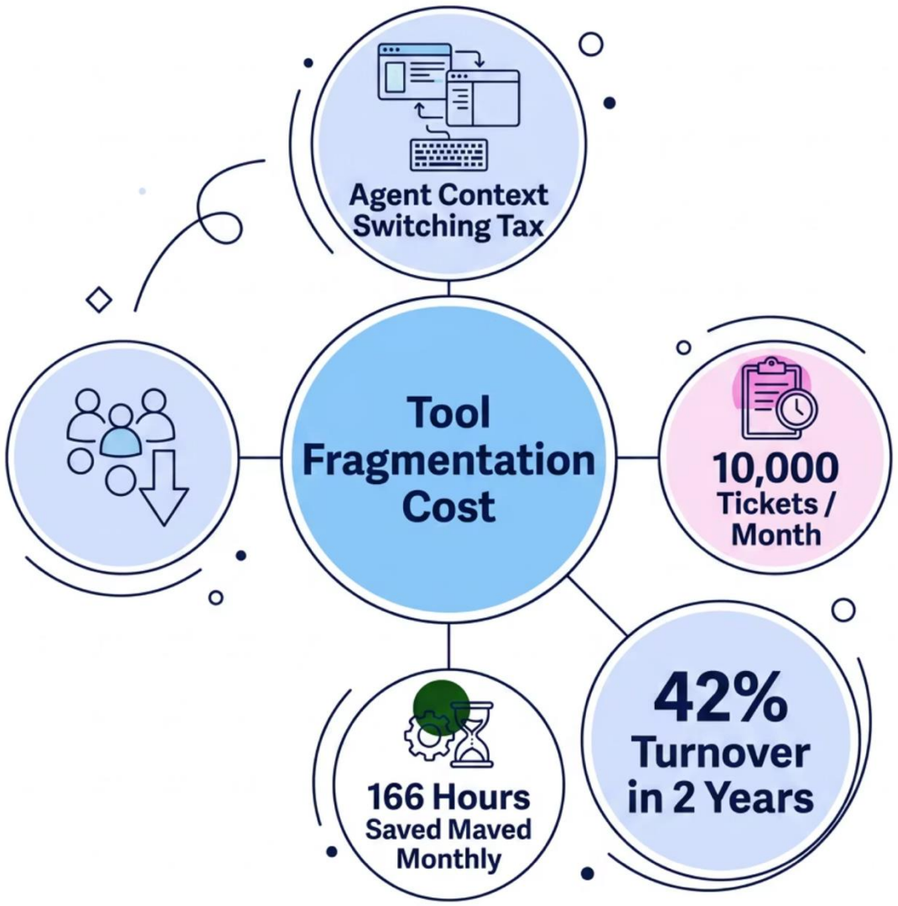
60–70% Interrogation

Identifying users, verifying entitlements, eliciting incident details — the "20 Questions" phase.

30–40% Resolution

The actual fix — resetting a password, clearing a cache, pushing a script — is often rapid.

The "Swivel Chair" Integration Tax



No Reliable Endpoint System of Record

Tool fragmentation forces agents into manual, multi-system workflows. Every context switch is a cognitive tax.

Saving just **1 minute of swivel time** per ticket across 10,000 monthly tickets = **166 hours saved** — the capacity of one full-time agent.

In organizations over 5,000 employees, disjointed tooling drives **42% agent turnover every two years** and **$10,000+ per hire** in recruitment costs.

The "Human Robot" Conundrum

Scripted Agents = Process Waste

Strict QA scripts force agents to ask irrelevant questions — resources consumed, zero value created toward resolution.

Procedural (not analytical) diagnosis leads to incorrect ticket categorization, setting tickets on a **doomed escalation trajectory**.

The Diagnostic Trap

Under AHT pressure, agents prematurely escalate after just 5 minutes of superficial triage — protecting L1 metrics while shifting expensive work upstream.

⚠ Enterprise FCR rates: 70–80%. When L1 diagnosis fails, FCR fails — and L1 cost becomes a sunk cost.

Successful FCR

Cost capped at ~$22

Failed FCR

L1 cost = sunk cost + escalation begins

The Escalation Cost Curve Is Exponential

$22

Level 1

Generalist labor. Entry-level IT wages ($42k–$48k/yr).

$85

Level 2

Skilled technicians & sysadmins ($55k–$75k/yr).

$500+

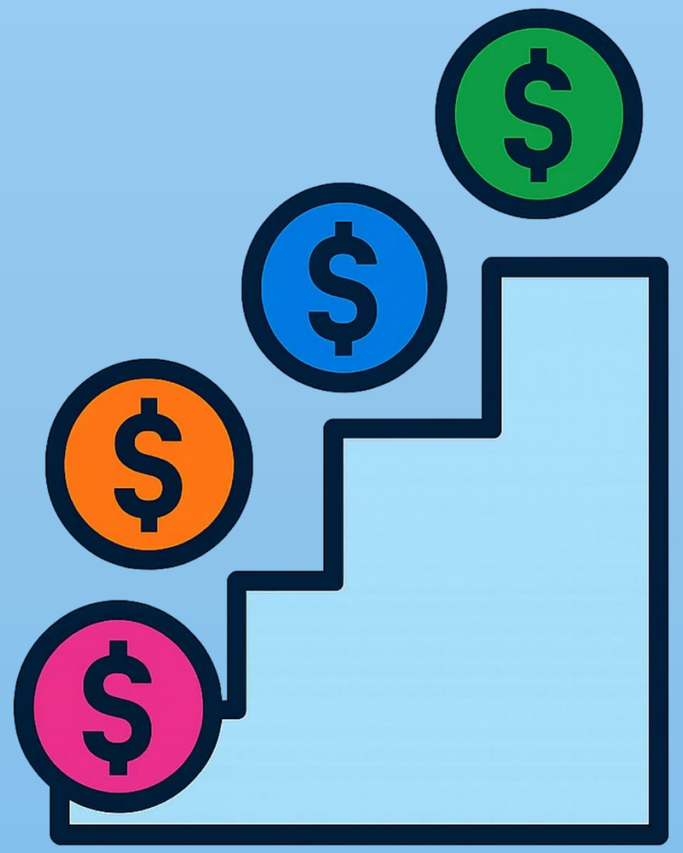
Level 3

Senior engineers & architects ($100k–$150k+/yr).

20%

L3 Time Lost

Unplanned support consumes up to 20% of senior developer time — largely invisible on IT budgets.



The Re-Diagnosis "Trust Tax"

Higher Tiers Don't Trust Lower Tiers

When tickets escalate, receiving engineers repeat diagnostic steps rather than build on prior work — driven by a systemic **Trust Gap**.

- L2 spends 15–30 min verifying basics already confirmed at L1
- L3 must personally verify root cause before touching production systems
- Result: 30 minutes of labor paid for **zero forward progress**

The "Verification Tax" effectively doubles the diagnostic cost of every escalated ticket.

The Full Economics of Escalation

Support Tier	Est. Cost/Ticket	Primary Cost Driver	Diagnosis / Resolution Ratio
Self-Service	$2 – $4	Infrastructure/Licensing	N/A (User driven)
Level 1	$22 – $25	Generalist Labor	70% Diag / 30% Res
Level 2	$60 – $85	Specialist Labor	50% Diag / 50% Res
Level 3	$104 – $500+	Engineering Opportunity Cost	40% Diag / 60% Res
Field Support	$196+	Travel/Physical Labor	Variable

As diagnosis burden decreases at higher tiers, the cost per ticket skyrockets — making **early, accurate diagnosis the single highest-leverage investment** in the ITSM ecosystem.

Building an Endpoint Reliability Engine

The path forward is clear: eliminate Failure Demand at the source.

Fix Self-Service Taxonomy

Align portal language with how users describe symptoms, not how IT categorizes systems.

Arm L1 with Telemetry

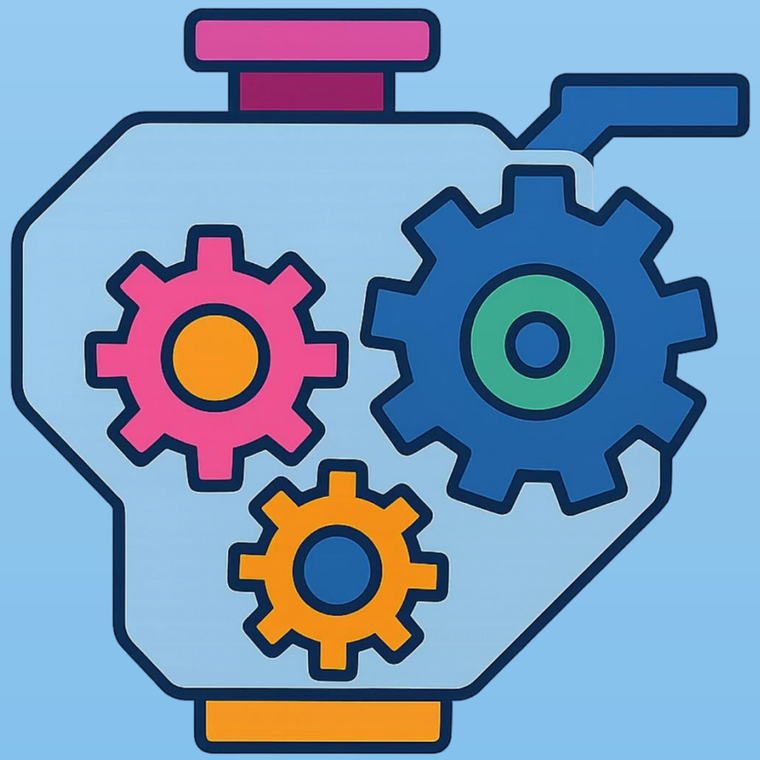
Replace verbal interrogation with real-time endpoint data — cut diagnosis time, improve FCR.

Eliminate the Trust Gap

A shared, reliable endpoint system of record removes re-diagnosis and the Verification Tax across all tiers.

Route Right the First Time

Accurate First Correct Assignment ends the Ping-Pong cycle and protects MTTR — and the business.



Thank You!

Any questions come see us at booth #104