A Practical Approach to Implementing Service Level Management

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INTRODUCTION

Implementing formal Service Level Agreements (SLAs) is a primary objective of many IT organizations; however, this activity can often lead organizations into a difficult position with their business customers. We must remember that the SLA is an output of the Service Level Management process. If we focus too strongly on developing SLAs without their supporting process, then we may miss some key process activities that are critical dependencies to ensure the efficiency and effectiveness of delivering services.

It is also important to understand the relationship between Service Level Management (SLM) and Business Relationship Management (BRM) as both processes are vital to successful engagements with the business.

It is not uncommon that a single process role will fulfill the responsibilities of both the Service Level Manager and the Business Relationship Manager. The key is to ensure that the critical activities of both processes are documented and assigned to one or more people to execute the activities. Developing a RACI matrix that map process activities to process roles to show who is responsible, accountable, consulted and informed is a great best practice to ensure there are no gaps on key process activities.

This paper discusses key activities and quick wins that provide a practical approach to implementing Service Level Management.
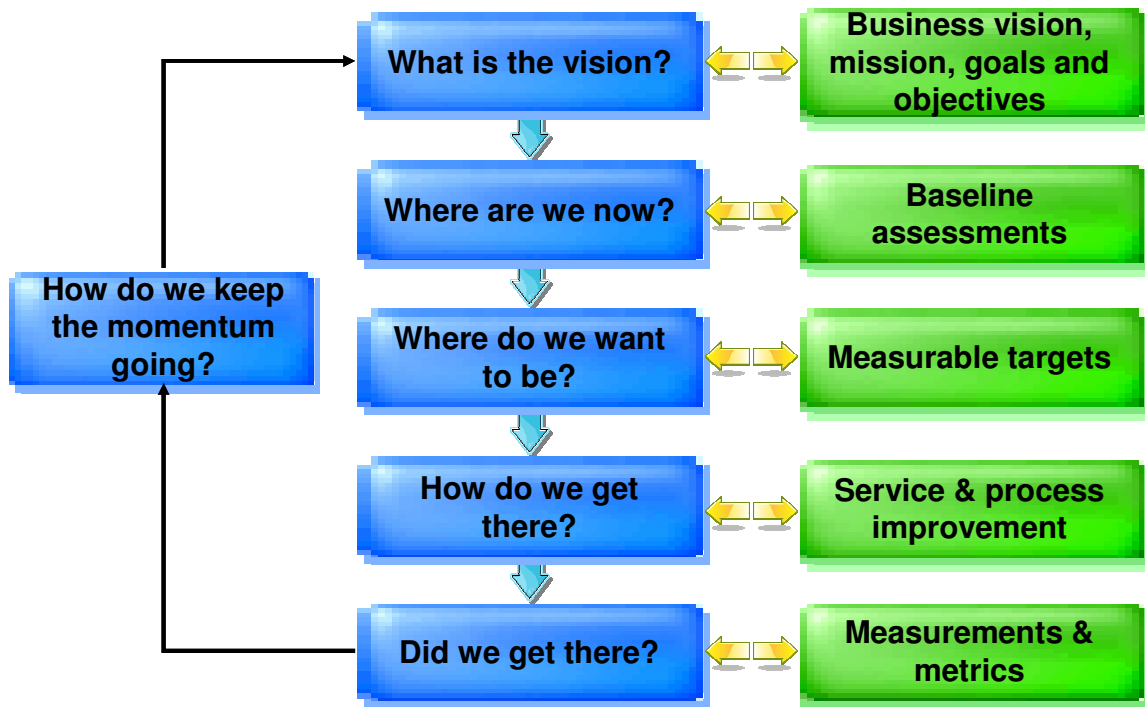
The following diagram shows the differences between Service Level Management and Business Relationship Management.

	Service Level Management (SLM)	Business Relationship Management (BRM)
PURPOSE	To identify Service Level Requirements, negotiate Service Level Agreements (SLA) with customers and Operating Level Agreements with internal functional groups, and ensure supplier contracts underpin the SLA.	To establish and maintain a relationship between the Service Provider and the customer based on the customer and business.
FOCUS	Tactical and Operational – the focus is on reaching agreement on the level of service to be delivered for new or existing services and if the Service Provider actually did deliver the agreed to levels of service.	Strategic and Tactical – the focus is on the strategic relationship between the customer and the Service Provider and is focused on which services the Service Provider will deliver to meet the customer needs.
PRIMARY MEASURE	Consistently achieving the agreed to levels of service.	Customer satisfaction, improvement in the customer's intention to better use and pay for the service, and the customer's willingness to recommend the Service Provider.

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SERVICE LEVEL MANAGEMENT & CONTINUAL SERVICE IMPROVEMENT

Below is the Continual Service Improvement (CSI) approach that can be used to identify key activities that become part of implementing the Service Level Management process.

What is the vision?	Business vision, mission, goals and objectives
Where are we now?	Baseline assessments
Where do we want to be?	Measurable targets
How do we get there?	Service & process improvement
Did we get there?	Measurements & metrics

How do we keep the momentum going?

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What Is The Vision?

One of the Critical Success Factors when implementing Service Level Management is a close relationship with the Business. It is important for the IT Organization to clearly understand the Business strategy, goals and objectives in order to design and deliver effective services. For years, we have heard about the need for IT and Business Alignment, but that is not strong enough as it implies that IT is somehow external to the business organization's goals. Rather, the concept of Business and IT integration implies a shared vision and mission. This close and integrated perspective requires the need for the IT Organization and Business to meet on a regular basis to promote ongoing communication, management of expectation, and the definition of priorities so there are no surprises for either party.

Where Are We Now?

When considering the Service Level Management process, it is important to have an understanding of how well service levels are currently being met. If not currently known, it is recommended to select a few key services and create an initial baseline on current service levels being achieved. Initially, this may be around monitoring and measuring availability of an application, but ultimately it is important to be able to monitor and measure the end-to-end services including not only the application, but the availability of the full technology system, including the network, server, database, etc.

Also, since external providers often play a critical part in the IT value chain it is important to know and manage the existing Underpinning Contracts in place with the various IT suppliers/contractors.

Where Do We Want To Be?

As part of the Service Level Management process it is critical to meet with the Business on a regular basis to clearly understand their functional and non-functional requirements. As part of the ongoing process, Service Level Requirements (SLRs) should be clearly documented as attributes of the Service Design Packages and become input in developing a true SLA. However, even before formal agreements are developed with the customer, the SLRs can also provide input in developing Service Level Targets. SLRs can also provide input on Service Level Objectives that are not agreed to but are clearly documented as the requirements expected to be delivered to the Business.

Requirements can be in the form of security, availability, reliability, performance, IT Service Continuity, etc. Monitoring, measuring and reporting requirements should also be documented as well as Incident handling, such as prioritization, notifications and escalations.

It is important to ensure that what the Business is requesting is truly a requirement and not simply a wish to have.

Establishing Operational Level Agreements

Another Critical Success Factor and activity of Service Level Management is to work with the different functional groups within the IT Organization to understand the capabilities required to deliver what the customer needs. This is often an overlooked step and the IT Organizations end up over committing and under delivering. The output of this information is input into the creation, negotiating and documenting of an Operating Level Agreement (OLA).

An OLA is also another document that is often overlooked and is a key activity as part of the SLM process. OLAs should be documented to validate and support any SLAs, Service Level Targets or Service Level Objectives.

When setting targets it is important to ensure that existing supplier contracts and OLAs underpin the SLA, Service Level Target or Service Level Objective. Any gaps create a risk to the IT organization being able to meet the required service levels.

Understanding the gap between the baseline, requirements and target become input into a Service Improvement Plan (SIP).

How Do We Get There?

Once the business requirements have been determined and the capabilities to meet the requirements are agreed upon, the data becomes input into the definition of new or changed service offerings. The data then guides the rest of the service lifecycle of designing, building, transitioning and operating the service.

For existing services this activity is focused on Continual Service Improvement by improving the areas that are not meeting the targets. This could be accomplished by identifying and implementing some technology changes such as creating additional redundancy to support the high availability requirements of critical services. This could also be accomplished by improving the Change Management process to increase the effectiveness of making changes to this service.

Did We Get There?

This is the last step in the improvement process where the monitoring, measuring and reporting comes into play based on the pre-defined service performance requirements. Measures and Key Performance Indicators provide information on the success or failure of Service Level Achievements in the form of reports to the Business and the IT Organization senior leaders.

As another practical activity at this stage of the improvement model it is recommended that the IT Organization host internal service review meetings to discuss the service level achievements. These meetings should take place before the external service review meetings that are held with the customer. Both meetings are important and should not be overlooked.

SERVICE LEVEL MANAGEMENT KEY ACTIVITIES & QUICK WINS

Most organizations have the ability to identify and implement some quick wins associated with Service Level Management key activities. The following quick wins can add immediate value without implementing an entire process.

People Quick Wins

- Document roles and responsibilities for the Service Level Manager, Business Relationship Manager and/or Account Manager
- Create a RACI matrix to map process activities to the process roles
- Allocate staff to fill the defined roles

Process Quick Wins

- Begin regular meetings with the Business and internal IT Groups
    - Discuss their future needs, perception of services and any improvement opportunities you may have already identified (this meeting may be started after you have completed some analysis of Service Level Achievements and you have a better understanding of how well you have been delivering services especially if you have some existing SLAs)
- Begin analyzing the Service Level Measures being captured and how well you have been achieving any SLAs, Service Level Targets and/or Service Level Objectives
- Document the trends and then analyze the trends
- Identify and implement obvious service improvement opportunities related to people, process, product and partner aspects of your service model
- Develop some basic OLAs with key functional groups to underpin existing Service Level Agreements, Service Level Targets or Service Level Objectives
- Review and document any gaps between supplier contracts and existing SLAs, Service Level Targets and/or Service Level Objectives

Technology Quick Wins

- Identify what you are currently monitoring
- Establish clear threshold targets and escalation paths for monitored devices
- Identify one or more services to begin monitoring from a customer perspective

Metrics and Reporting Quick Wins

- Create and document a basic Priority Model with Mean Time to Restore Timelines
- Prepare basic reports on service availability - use Incident Data if necessary

CONCLUSION

Service Level Management is about building and maintaining relationships with the Business, internal functional groups and the suppliers.

Building and maintaining relationships requires ongoing communication and discussions on future business requirements, Service Level Achievements and identifying areas for improvement.

It is important for IT to be engaged with the Business at a strategic, tactical and operational level and as part of the overall planning process.

The long term goal may be to get to a SLA, however there is a lot of value the SLM process can deliver whether there is a formal SLA or not. Don't overlook the importance of simply meeting and talking (mainly listening) with your customers.

Before making a decision to implement the full SLM process, identify some of the existing pain points and see if there are certain SLM and/or Business Relationship activities that can be implemented that will address the pain points and improve the relationship between the Business and the IT Organization.