

Managing Service Provider SLA's

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Agenda

- > Review of Service Level Agreements
- > Developing and Managing Your SLAs
- > Trends for the Future of SLAs
- > Making the move to sKPIs
- > Summary

SLAs 101

> Contractually binding clauses documenting the performance standard and service quality of the network

- Establish accountability
- Clarify performance expectations
- Recognize/acknowledge good service
- Identify substandard service & trigger correction or cancellation provisions as warranted
- Payment of incentives or penalties

Developing your SLAs

- > Step 1 – Determining Objectives
- > Step 2 – Defining Requirements
- > Step 3 – Setting Measures
- > Step 4 – Establishing Accountability

Be sure your SLAs:

- > Measure what you want to measure**
- > Focus on the risk and performance factors most crucial to the success of your organization**
- > Measure the performance the vendor is giving you and not the aggregate of all customers performance**
- > Are specific. Terms should be clearly defined to avoid different interpretations**

Managing Your SLAs

- > Assign internal organization ownership of your SLAs**
- > Measure service activity results against defined service levels**
- > Examine measured results to identify problems and determine causes**
- > Take action to correct failed activities, functions and processes**
- > Continuously meet with your vendor to review performance**

Change Management of SLAs

- > Ensure your agreement includes change management procedures
- > Enables continuous improvement of processes and allows adjustments due to business or technology changes
- > Meet at least quarterly to review service level goals and performance measures

Future Trends

- > The move to personal SLAs
- > Relevancy of SLAs to the business
- > The acceleration of the Real-time Enterprise (RTE) as a reality
- > The need to correlate event data to an application supporting a business process

Process Maturity Model

Level	IT Management Process Maturity	Management Processes Implemented
4	Value	IT/business metric linkage
3	Service	Capacity planning, service-level mgmt
2	Proactive	Performance, change, problem, availability
1	Reactive	Event up/down, trouble tix, backup, etc.
0	Chaotic	Multiple help desk, user call notification

Strategic KPI – A definition

- > A Performance Metric linked to the client's business strategy which is tracked and used to guide actions in support of continuous improvement objectives. The metric may represent activities performed by multiple entities, including the vendor, the client and third parties.**

sKPIs and SLAs – What's the Difference?

SLAs

- > Traditional view of IT Service and IT Organization Performance
- > Metrics are Discrete in Nature and Provide an “After the Fact” View for Performance
- > Tied to levels of Service “Not” Strategic Objectives (typically based on contract incentives and disincentives)
- > Lend themselves to driving a tactical “Reactive Response” rather than “Proactive Intervention”
- > May drive the wrong behavior

sKPIs

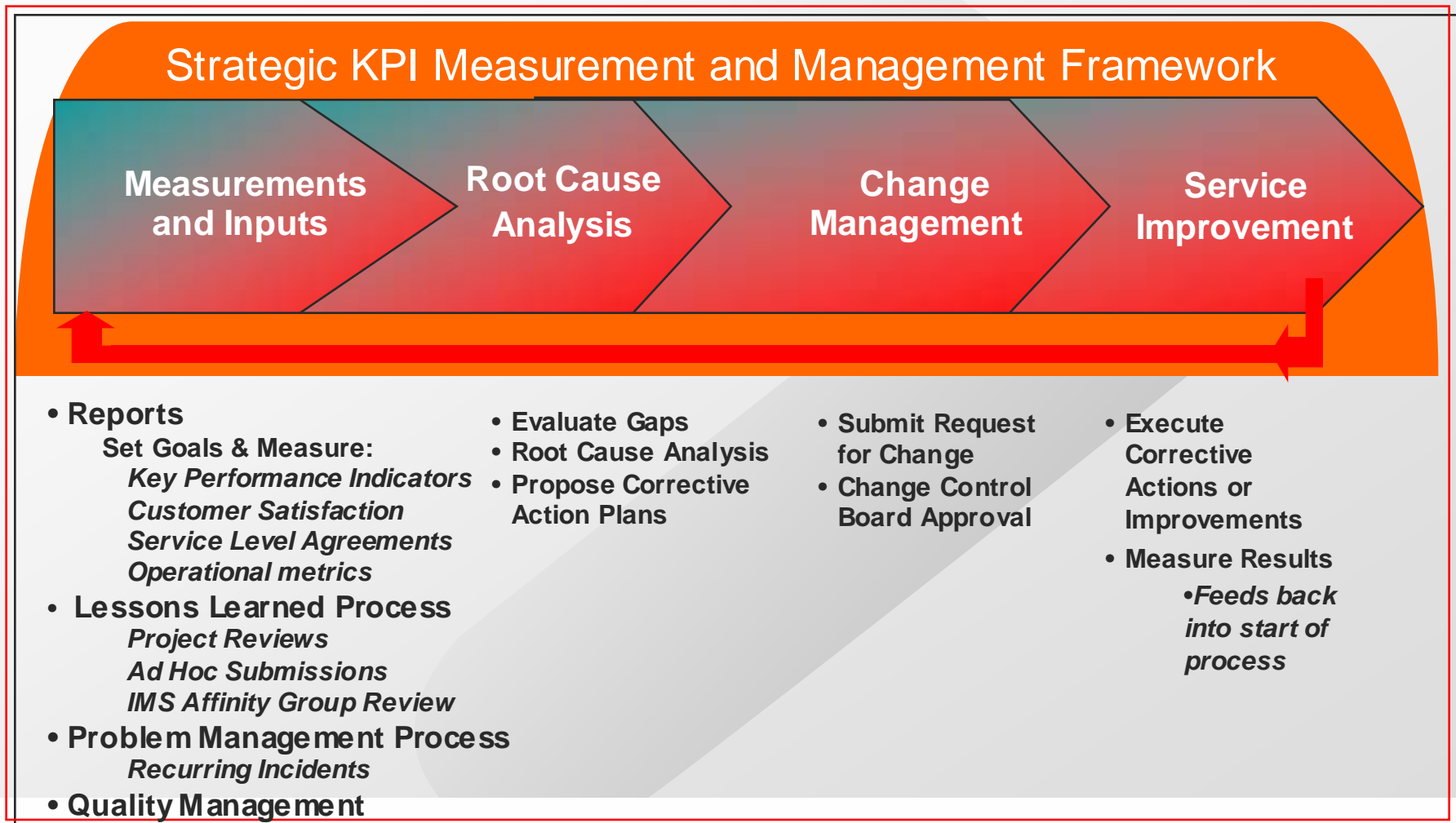
- > Next Generation of Performance Management Metrics
- > sKPI Performance Management is Holistic in Nature.
- > Metrics are linked via “cause and effect” relationships and identify trends and influencing factors
- > Focused on Continuous Improvement and Proactive Management
- > sKPIs are aligned with Strategic IT and Operations goals
- > sKPIs Provide Visibility into the Achievement of Objectives

Strategic KPI versus SLA

- > A Strategic KPI is a performance metric
- > sKPI example – Customer Satisfaction at ticket counter check-in
- > SLA example – Network uptime. Ticket application response time

How do sKPIs fit into CI?

Continuous Improvement Process



In Summary

- > Understand what you will and won't get from SLAs
- > Ensure you actively manage your SLAs
- > Try and connect SLAs to the business strategy (relevance)
- > Ensure SLA change management is in your agreement
- > Get more strategic in your view through sKPIs