

## Effective SLAs Demand Clearly Defined Targets

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There are two types of Service Level Agreements (SLAs):

1. **External:** A legally binding contract with a third-party service provider. For example, ISPs, application outsourcers, etc.
2. **Internal:** An agreement between end users and internal support staff. For example, network availability, e-mail restores, etc.

Although an internal SLA is not legally binding, it requires the same level of measurability as an external SLA to be an effective communication and management tool. An internal SLA clearly sets out the IT support staff's specified levels of service to end-user requests. To find out how to start building an internal SLA, refer to the Info-Tech Advisor research note, "[Mitigate Miscommunication with an Internal SLA.](#)"

### Performance Measures

An essential step in the development of SLAs is identifying the results that should and can be measured. These measures vary greatly depending on the service. Some standard measurements include:

- **Availability.** The hours of the day the service will be in operation and supported, as well as overall system uptime statistics.
- **Reliability.** The likelihood that systems will be available when needed. Develop a schedule that outlines any scheduled service downtime, for regular maintenance, upgrades, and so on.
- **Response Time.** How soon the user can expect to receive a response to their request for help. End users are often tempted to follow up, so an established turnaround time is essential to any SLA.
- **Resolution Time.** How quickly the user can expect the problem to be resolved. Resolution time should be associated with a priority level. The higher the priority, the shorter the resolution time. Again, this should help reduce the amount of follow up.

- **Longevity.** The amount of time between hardware/software upgrades and updates. User dissatisfaction can occur as systems get long in the tooth. Having a predefined upgrade schedule can ease some of these tensions.

## Management Measures

Equally important is being able to identify trends. Management will want to see statistics on the issues reported in order to evaluate the success or practicality of an SLA. These areas may include, but are not limited to:

- Number of issues/problems per category.
- Number of issues/problems per priority/severity.
- What percentage of issues/problems exceeded resolution time as outlined in the SLA?
- How many issues/problems were reopened?
- How many were escalated? Were they escalated according to the proper protocol?
- How many remain unresolved?
- How many are currently past the expected resolution time?
- Were SLA measures met? What percentage of the time were these measures met?
- Are there recurring areas that are not being met?
- How much time was allocated to meeting the SLA?
- How much does it cost to provide the service?

## Recommendations

1. **Decide what to evaluate.** As important as it is to have an agreement in place, it is just as important to measure progress. Decide what points should be evaluated and what standard should guide them. Don't attempt to manage every step along the way; focus instead on desired outcomes. Tying IT performance outcomes to business goals will also help improve buy-in from business units and increase IT-business alignment. Typically this means expressing SLA measures (e.g. 2% downtime this month) in dollar terms (\$5,000 in lost productivity).
2. **Use the right tools.** Incident management and reporting software should be in place to provide the metrics that evaluate how healthy the SLA is. Some vendors to consider when purchasing incident management software include:
  - [Altiris Helpdesk Solution](#)

- [BMC Service Desk Express](#)
- [Entry Software TeamHeadquarters](#)
- [FrontRange HEAT](#)
- [Numara Track-It!](#)

Some of these vendor offerings are not suitable for all enterprises. For example, Numara Track-It! is an entry-level suite while [BMC Remedy Service Management](#) is best suited to larger enterprises.

3. **Assess performance according to data.** Run regular reports to show management where SLAs are working and where they are failing. A thorough report can indicate where changes need to be made. Effective SLA measurement can also be used as ammunition for justifying IT investments. As an example, if service levels are frequently not being met in a specific area, it creates the opportunity for IT to make recommendations for new technology to solve the problem. Again, converting IT measures to dollar terms that management can understand will help make the business case.
4. **Establish rewards.** Keep in mind that internal SLAs provide a great opportunity to reward groups that meet and exceed expectations. The objective is simply to provide incentives for following SLAs. For example, a monthly reward for the top three employees who hit their work targets and helped meet or exceed SLA expectations.

### Bottom Line

Developing an SLA is only half the battle. Without performance measurements, SLAs are ineffective. Know what to measure, how to measure it, and when to change it.