



Helping you piece IT together

Developing an Internal Service Level Agreement



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1. Why Do you Require an Internal Service Level Agreement

When reporting issues to your support desk, your clients are looking for three key factors:

- Responsiveness.
- Quick resolution to problems.
- Timely status on open problems.

These factors apply to your clients regardless if they are external or internal to your organisation.

Responsiveness means that when a client calls into the support desk, they will get directly through to a qualified support executive who will understand their issue.

Resolution means the client is given a satisfactory solution to their reported problem. This could be in the form of accurate answer to a question, a work around or a software code fix.

Timely Status means that the client is provided with timely status information on the open problem right up until the time the issue is resolved.

With the ever increasing complexity and interconnectivity of modern computing systems, many clients are not sure whether the issues they are reporting lie within the software application, their PC, the internal network, the operating system, the Internet or the hardware. The client depends on the ability of the support desk to remotely identify and diagnose the source of the issue and provide support regardless of where the issue lies.

The inherent complexity of the environment upon which the many end user applications resides has lengthened average times to resolve calls and impacted the quality of service expected by the client.

Many support desks often provide a point of contact for clients to report issues. While training and expertise may reside in the support for most reported issues, there are many issues that must be dealt with by calling on resources in more technical departments to resolve the problem. One tool that is often used to enable a support desk to provide quality service to clients is an internal Service Level Agreement.

2. Overview of Internal Service Level Agreements

Service Level Agreements (SLAs) otherwise known as Service Contracts have been one of the critical success factors towards traditional client/vendor relationship. With the shift in focus onto quality of service to client, and the subsequent pressure from the business to improve service levels, more and more support desks are implementing Internal SLAs, but few know how to effectively deal with them.

Your company should move quickly to establish Internal SLAs to enable your support desk provide a support function that is a quality service and highly professional.

Some companies have reported saving 5% to 40%, simply by establishing and managing service agreements. Apart from the cost savings, Internal SLAs improve the quality of service to clients and enhances their experience when dealing with your company.

The key attributes of a successful Internal SLA are:

- Define products and services provided.
- Establish a manner in which they will be delivered.
- Establish quality standards to be achieved.
- Provide measurement criteria.
- Negotiate and accept cost of delivery.

Internal SLAs should include information on:

- The support desk hours.
- Typical response times.
- Typical target times for resolutions.
- Problem escalation guidelines and procedures.

3. Creating an Internal SLA

There are a number of key steps implementing a successful Internal SLA

3.1 Process Creation

An internal SLA gives everyone involved a clear description of the levels of service they can expect from each party within the agreement and specifies the responsibilities and priorities, and establishes a document for all parties to consult when disagreements arise.

The process of creating an Internal SLA often highlights the expectations versus perceived requirements. The basis of Internal SLAs is negotiation. It is essential to remember that for the Internal SLA to be successful it should serve as a tool for co-ordination and not a club with which to beat up on the offending parties when it has deviated from the plan.

Creating Internal SLAs is a delicate activity and it can take time to complete the negotiation process. All sides to the agreement should be ready to confront and deal with the differing opinions. When discussed, especially in a situation between departments, the need for an Internal SLA may disappear. Mostly, buy-in comes only through negotiation and a clear representation of the consequences of actions and expectations.

3.2 Continuous Review

Internal SLAs must be regularly reviewed and should not be cast in stone. It is essential that the SLA never replaces negotiation. The review process should take place at a minimum of each quarter, if not every month especially in the early phases of implementing an Internal SLA. Once completed the reviewed SLAs must be re-signed. They must also be reviewed in-depth to ensure that they are synchronized with the existing services, and technology.

Internal SLAs work most effectively when everybody knows they exist. Marketing of the agreements, the services offered and the various support levels is a critical success factor. It is essential that the members of all participating departments to the SLA are aware and familiar with the terms of the Internal SLA.

4. The Downside of Internal SLAs

Common reasons why Internal SLAs fail include, unrealistic objectives set by the parties involved, too complex an SLA and the unavailability of tools to measure the events around which the Internal SLA is built. It is essential that Internal SLAs are used as a management tool to measure how effectively the support desk is providing service to the clients and how effective the supporting departments are providing services to the support desk.

5. Suggest SLA Management Reports

5.1 Monthly Service Report

The service desk should produce a report using the headings outlined below to senior management to demonstrate how it is performing. The Monthly Service Review Report should contain the following information:

- 1 Distribution
- 2 Introduction
- 3 Management summary
- 4 Service Overview
 - 4.1 Service Issues
 - 4.2 Service Actions/Initiatives
 - 4.3 Major Problems
- 5 Planned Future Actions
- 6 Service Summary - Performance & Targets
 - 6.1 Service / System Availability
 - 6.2 Current Month
 - 6.3 Availability over last 6 Months
 - 6.4 Availability Calculation
 - 6.5 Change Management
 - 6.6 Incident Management
- 7 **Appendix A:** Major Incidents
- 8 **Appendix B:** Service Quality Report
- 9 **Appendix C:** Document Control

5.2 Incident Management Reports

Regular reports need to be provided to show how the Incident management process is performing. The reports should be generated from the Issue Management system and based on the performance for each supporting department. The following are an example of some of the reports that need to be developed:

- Number issues logged by Priority against the supporting department.
- Number issues logged by Category against the supporting department.
- Number of issues for the supporting department that exceed SLA targets broken down by category & priority.
- Number of issues for the supporting department that met SLA targets broken down by category & priority.
- The number of issues for the supporting department resolved by remote fix by category & by Priority.
- The number of calls for the supporting department requiring an on-site engineer visit broken down by category and by priority.
- Number of issues for the supporting department logged per hour each day.
- Number of issues for the supporting department that had to be re-opened under a new issue number.
- The number of issues for the supporting department that required repeat visits by onsite engineers by category and by priority.
- Breakdown of issues for the supporting department by priority broken down into closure categories.
- Number of phone calls that were not answered within the agreed SLA by the supporting department.
- Number of issues for the supporting department that were escalated.
- Number of issues for the supporting department that remain open and are not resolved. This report should be aged to show how old the issues are.

6. Summary

Internal SLAs serve as a reality check for a company, and help improve its performance, operations and costs of running its business. Many departmental managers now recognise that SLAs have tremendous value in managing the demand for their department's services and allocation of resources. Internal SLAs are one of the essential keys for departmental managers to re-align their services to the business requirements. Internal SLAs will help the support desk and other departments upon which the support desk depends on to better understand one another and work together.

7. Contact Us



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If you wish to contact us or provide any feedback on this whitepaper you may do so using the following contact details.

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