

“Why SLA’s are still a must?”

by: Max Franchitto – MD of MGF Consulting Group,

Service Level Agreements have been around for as long as bad service has, and yet like most preventative solutions they have been highly under rated. For those of us that have forgotten SLA’s were very much the flavour of the month in 1999.

The principal place to find SLA’s has been in the IT department where “helpline services” to other divisions of the organization were critical to meeting business objectives.

The other assumption is that SLA’s are only relevant to external customer relationships, where lack of performance can be penalized either by financial or patronage parameters. In recent years we have seen a growth in the use of SLA’s for internal customers (Department2Department relationships) of many organizations. SLA’s have evolved to a new level in the last few years to go beyond the IT department.

In fact we have seen SLA’s being used in organizations between various customer service providing units. For example, we have seen the successful application of SLA’s in a Wealth management firm, an IT education center, and a multi service financial services institution.

Formulating an SLA plan for D2D definitely needs outside help, as all departments will seek for an objective outsider to help develop the agreements. The work does not end once the SLA’s are in place, the agreements need constant discussion and renegotiation as the needs of each business unit change.

The concept of the SLA is to monitor deficiencies in service and customer satisfaction long before a crisis hits the organization.

To be effective, SLA’s require more thoroughness and vigilance in measuring customer satisfaction so that dissatisfaction does not come up on the corporate radar as a lost customer or even a financial loss. Albeit there is some effort and expense associated with implementing SLA’s, they do provide metrics that are of critical importance to management.

Experience shows us that there are some basic imperatives that we can share as “the ten tips” from prolific SLA users;

1. Don’t try to implement SLA’s across the board all at once
2. Expectations can and will be unreasonable
3. People need to be trained to develop SLA’s on their own
4. SLA’s cannot be a stand alone solution to service performance
5. Develop SLA’s through discussion and negotiation in D2D environment.
6. Be prepared to by pass certain business units.
7. Keep them simple and brief to the point, they are guidelines not laws.
8. Motivate your people to take part by setting a performance - reward structure
9. Connect the SLA’s to satisfaction through appropriate metrics
10. SLA’s need maintenance and vigilance to stay in touch

When internal customers are serviced efficiently then SLA’s are working, this leads to greater success in meeting the needs of the external customer.

The importance of getting the organization involved in taking on SLAs is evidenced by the often-documented customer service horror stories we hear about one division upsetting the customer to the detriment of the whole organization.

The implementation of SLA’s will assist in the removal of all Internal cross-service management issues, while removing departmental “Chinese walls”

in support and service. They will deliver both internal and external service benchmarks. They will help create a strong link between internal and external customer satisfaction and deliver efficiencies that will translate into bottom line savings and profitability.

We believe that in maintaining a proper SLA environment organizations need to appoint an SLA manager within each department. They in turn will come together to make up an SLA performance committee, which should report regularly to the Executive Management team or indeed even the Board.

“Maximising opportunities for Success”

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