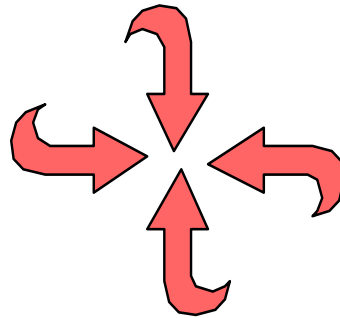# How to

Establish

Service Level

Agreements

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ABOUT THE AUTHOR

I've always been fascinated by human behavior. Drawing from my B.A. and M.A. in psychology, and extensive experience in technical and management positions, I've presented **seminars** and **keynotes** to **more than 100,000 people** internationally.

My training, consulting, presentations, and writings have helped organizations and groups improve customer satisfaction, improve provider/customer relationships, strengthen teamwork, and manage change.

I'm the author of **Managing Expectations: Working With People Who Want More, Better, Faster, Sooner, NOW!**, a book which offers a serious, light-hearted look (yes, *both!)* at expectations in the workplace and how to manage them better. My book, **Communication Gaps and How to Close Them**, describes how to use communication as a tool to build relationships, strengthen teamwork, manage change, deliver superior service, and deal with everyday misunderstandings.

My newsletter, **PERCEPTIONS & REALITIES**, offers ideas and advice on how to deliver superior service and build win-win relationships. Readers have described the newsletter as lively, informative, and a breath of fresh air. I've also published more than 300 articles in business and trade publications and websites. I'm a member of the National Speakers Association, and for three years was editor of NSA's newsletter for international speakers.

My eBooks include:
♦ **How to Establish Service Level Agreements**
♦ **Why SLAs Fail and How to Make Yours Succeed**
♦ **How to Critique and Strengthen Your SLAs**
♦ **An SLA Template and How to Use It**
♦ **How to Survive, Excel and Advance as an Introvert**
♦ **Changing How You Communicate During Change**
♦ **40 Frequent Feedback-Gathering Flaws and How to Fix Them**
♦ **How to Profit (Quickly!) by Writing a Handbook**

My website (**www.nkarten.com**) is regularly updated with articles on such topics as managing expectations, improving customer satisfaction, strengthening teamwork, managing change, and gathering customer feedback. I invite you to take a look.

I'm an avid downhill skier who has taken numerous trips to the Rockies and the Alps. My husband and I enjoy helping friends and colleagues plan ski trips to faraway places.

OBJECTIVES OF THIS BOOK

A service level agreement (SLA) is an excellent mechanism for creating a common understanding between a service provider and its customers about services and service delivery. It is a communication tool that helps to manage expectations, clarify responsibilities, and provide an objective basis for assessing service effectiveness.

However, establishing a successful service level agreement can be a complex undertaking, and it is not the solution to *every* problem. If established in the wrong way or for the wrong reasons, it can create bigger problems than those it is trying to solve.

This book will help you understand SLAs and prepare you to create your own SLA by:

- Discussing what an SLA is — and what it is not

- Describing what makes a service level agreement (SLA) work — or fail to work

- Explaining how a service level agreement can help to improve communications, manage expectations, and build the foundation for a win-win relationship

- Outlining the key elements of an SLA and their functions

- Providing detailed guidelines for planning, developing and managing an SLA

- Enabling you to critique an existing SLA or one that is under development

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FRAMEWORK OF THIS BOOK

This book is divided into 8 chapters. Here is a view of the structure by chapter:

#	TITLE	FOCUS
1	SLA: Role and Key Features	An overview of what an SLA is, its benefits, the parties to an SLA, and related information
2	The SLA Document and Process at a Glance	Overview of the SLA document and the process of establishing an SLA
3	Exercise 1: Evaluation of a Sample Agreement	An exercise that develops skill in evaluating an SLA, highlights common flaws in SLAs, and sets the stage for the information in Chapters 4 and 5.
4 & 5	The Service Elements The Management Elements	Descriptions and examples of three Service Elements and three Management Elements that are key to a successful SLA
6	Exercise 2: Evaluation of a Sample Agreement	An SLA that offers an opportunity to gain experience in critiquing an SLA using the information provided in the preceding chapters
7 & 8	Critical Initial Steps Development Checklist	Guidelines for establishing an SLA, presented in the form of four critical initial steps and six steps that comprise the development process

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DISCLAIMER

This handbook focuses on the service level agreement as a communication tool and an expectations-managing mechanism. No claim is made that a service level agreement that you establish as a result of this book will legally protect you or your organization.

If your service level agreement must be capable of protecting your company's interests in a court of law, it is your organization's responsibility to ensure that:

- negotiation of your Agreement on behalf of your organization is carried out by skilled negotiators

- your Agreement is reviewed, modified as needed, and approved by attorneys or other appropriate legal or corporate authorities before it is finalized and signed

- your Agreement is valid, legal and enforceable according to the laws and regulatory provisions of the states and countries in which it is to be in effect

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PERMISSION TO USE SAMPLES AND EXAMPLES

This book includes sample service level agreements (Chapters 3 and 6) and examples from many SLAs (Chapters 4 and 5) to assist you in organizing, wording, and writing your own Agreement. Permission is granted to use or adapt these samples and examples for use in your own organization. Please note that if you do so, it is your responsibility to tailor them to fit the needs and circumstances of your own organization.

CHAPTER 1:

SERVICE LEVEL AGREEMENTS:

ROLES AND KEY FEATURES

Chapter Overview

This chapter provides a foundation for describing the SLA document and process by:

1. Presenting one organization's approach to establishing an SLA, and offering comments and recommendations regarding this approach.

2. Describing what an SLA is and what it can realistically accomplish.

3. Providing information that will help you inform and educate others about SLAs in order to gain their support and cooperation.

CASE STUDY TO SET THE STAGE

This case study is based on a real situation, and reflects a view of SLAs common in many organizations. It therefore provides an excellent starting point for considering what an SLA is, how it works, and how to go about establishing one.

After reviewing this case study and considering the questions below, turn the page for some comments that may add to your own ideas.

THE SITUATION:

A customer support director described his plan:

Our customers are complaining too much, so we are going to establish a service level agreement to stop their complaining. I have directed my staff to write the agreement. When it is completed, we will pilot it with our best customers and request their feedback.

QUESTIONS:

1. What is your reaction to this director's plan?

2. What is positive and negative about this plan?

RECOMMENDATIONS FROM THE CASE STUDY

Most people who review this case study are quick to find fault with the customer service director. Nevertheless, he is far from unique; this type of situation is extremely common and suggests several issues to keep in mind if you wish to be successful with your own SLAs.

Here are some positive and negative aspects of this case study to consider:

1. **Taking action.** The director decided to do *something*. He recognized and acknowledged that he had a problem, and was motivated to try to resolve it. That's a positive, despite the flaws in the method he selected to resolve it.

> **RECOMMENDATION:** When customers complain, don't ignore their complaints. Take steps to understand and resolve them.

2. **Reason for creating an SLA.** The director viewed an SLA as a way to stifle customer complaints. However, an SLA intended as a complaint-stopper cannot succeed, because it simply gives customers one more thing to complain about.

> **RECOMMENDATION:** Create an SLA to build a sound relationship between parties, not to suppress evidence of dissatisfaction with it.

3. **Method of creating the SLA.** The director had his staff write the agreement. The customers were not involved. When one party unilaterally develops an "agreement," it is unlikely that the other party will "agree" to it, particularly if it doesn't address the causes of their dissatisfaction. s

> **RECOMMENDATION:** The term "agreement" is too often used to describe the process of one party *telling* the other party how things will be done. One of the keys to a successful SLA is that both parties are involved in its creation. If it's not an agreement, don't call it an agreement.

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RECOMMENDATIONS FROM THE CASE STUDY
(continued)

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4. **An understanding of SLAs.** It is likely that the director's staff — and the director himself — is inexperienced in creating and managing an SLA. In such circumstances, SLAs are rarely completed, or if completed are rarely managed well. Because of his lack of familiarity with the complexity of the task, the director would probably hold his staff responsible for such an outcome, and fail to see that the problem was the approach he took to it.

> **RECOMMENDATION:** Before undertaking an agreement, be sure at least one party clearly understands what an SLA is, what it can realistically accomplish, and how to establish and manage it.

5. **Conducting a pilot.** Piloting an SLA with one's best customers can generate valuable feedback that will improve the agreement. But a successful pilot with the best customers does not ensure success when the agreement is used with dissatisfied customers. If a pilot is to be of value under realistic circumstances, it must be undertaken with a representative subset of customers.

> **RECOMMENDATION:** In creating an SLA, a pilot is optional, but if you prefer to conduct one, seek feedback from a representative sampling of the customers it will be used with.

> ## If it's not an agreement,
> ## don't call it an agreement.

WHAT A SERVICE LEVEL AGREEMENT IS

A service level agreement is a <u>formal</u> <u>negotiated</u> agreement which helps to identify expectations, clarify responsibilities, and facilitate communication between two parties, typically a service provider and its customers. As such, it is:

✓ **A communication tool**

A properly established SLA fosters improved communication between the two parties. Furthermore, the very process of *establishing* an SLA helps to strengthen communication, so that the parties come to better understand each others' needs, priorities, and concerns.

✓ **An expectations-managing mechanism**

Often it is not until it's too late that an organization realizes its expectations are not going to be met. The process of establishing an SLA facilitates the identification and discussion of expectations. As a result, the two parties achieve shared expectations about services and service delivery.

✓ **A conflict-reduction tool**

In the absence of a shared understanding about needs and priorities, conflicts can easily arise. An SLA, and the communication process involved in establishing it, helps to minimize the number and intensity of conflicts, and to more readily resolve those that do occur.

✓ **A living document**

The SLA acknowledges that changing circumstances may necessitate modifications to services, expectations, and responsibilities. Accordingly, it provides mechanisms for periodic review and modifications as warranted.

✓ **An objective process for gauging service effectiveness**

In the absence of an agreement, the parties may disagree about service adequacy. An SLA provides a consistent, ongoing and mutually agreed to basis for assessing and discussing service effectiveness.

WHAT A SERVICE LEVEL AGREEMENT IS *NOT*

An SLA is unlikely to succeed if undertaken as:

✗ A mandate

A service level agreement has a reduced probability of succeeding if ordered into existence, as was the case with the customer service director in the case study. When the decision to create an SLA is driven by a major restructuring (such as a reorganization, downsizing, the consolidation of services, or the transition to a shared services environment), extra care must be taken to involve and seek input from all pertinent parties.

✗ A "get" strategy

Attempting to *get* others to do things your way may make them feel coerced, and is likely to generate resistance and resentment. It is counterproductive to view an SLA as a way to *get* customers to stop complaining or to *get* service providers to deliver better service.

✗ A complaint-stifling mechanism

An SLA that attempts to stifle complaints rather than understand and resolve those complaints can actually trigger an *increase* in complaints. An SLA is not a club; it cannot be used to bludgeon the other party into conforming to some standard.

✗ A unilateral decision-making process

Trust cannot easily be built between two parties if one imposes decisions about how things "will be done." For an SLA to succeed, both parties must have a say in formulating it.

✗ A quick fix

Establishing an agreement is *not* a quick process. Attempting to rush it undermines the considerable value of that process in helping the parties to understand each other's perspective and build a strong relationship.

THE PARTIES TO AN AGREEMENT

Most service level agreements are <u>between a service provider and its internal or external customers</u>. For example, an SLA can be established:

<u>BETWEEN</u>	<u>AND</u>
⇨ IT departments	Internal business units
⇨ A help desk	Internal business units
⇨ A human resources department	Corporate departments
⇨ A marketing department	Corporate departments
⇨ A facilities management group	Corporate departments
⇨ Administrative services departments	Corporate departments
⇨ A shared services group	Corporate departments
⇨ Providers of outsourced services	Client companies
⇨ Service vendors and suppliers	Client companies
⇨ Management consulting firms	Client companies

THE PARTIES TO AN AGREEMENT
(continued)

In addition, a service level agreement can be established <u>between any two parties</u> that must interact or cooperate to:

- Complete a task,
- Produce a result, or
- Support a third party

For example, an SLA can help to identify expectations, clarify responsibilities, and facilitate communication between:

	<u>BETWEEN</u>	<u>AND</u>
⇨	A customer service department	Departments responsible for the resolution of customer complaints
⇨	A human resources department	A payroll department
⇨	A technical support department	A training department
⇨	Level 1 support staff	Level 2 support staff
⇨	Telecommunications staff	Network management staff
⇨	A data center	A help desk
⇨	A quality support department	Computer services departments

At any given point, one of the above parties might be providing services to the other and is therefore the service provider, while the other is the service recipient or (in common parlance) the customer. Each may at different times be the provider of services *to* the other or the recipient of services *from* the other.

For an agreement between internal parties, some organizations prefer to use designations such as operational level agreement, customer service agreement, or document of understanding rather than service level agreement.

KEY PARTICIPANTS IN ESTABLISHING AN SLA

Who actually does the work of establishing an SLA?

SLA Managers. Typically, the primary work falls to the SLA Manager of each party. The SLA Manager is the person designated to direct the SLA effort on behalf of his/her organization.

For external SLAs (those between a service provider and its external customers):

The service provider and the customer organization each appoint one SLA Manager. Each such manager may single-handedly carry out SLA responsibilities, soliciting information from others in his/her organization as needed. Alternatively, each SLA Manager may head a team which participates in such tasks as gathering customer feedback, assessing service history, drafting service standards, and writing portions of the SLA documents.

For internal SLAs (those between service providers and internal business units):

An SLA may be established between multiple customer groups (such as the business units which are a Help Desk's customers) and/or multiple service provider groups (such as the IT departments which provide related services to internal business units). The multiple service provider groups or customer groups may each be represented by a single SLA Manager; alternatively, each service provider and customer group may designate its own SLA Manager.

The Role of Facilitator

Some organizations invite a facilitator to help the service provider and customer organizations establish the SLA. The role of facilitator may be undertaken by:

- A member of either the service provider or customer organization who is skilled in facilitation and experienced in establishing SLAs. As a member of one of the parties to the SLA, such individuals must have the respect of both parties, and must be able to function in an objective manner.

- (For internal SLAs) An employee from the Human Resources Department, a Quality Improvement Group, or other such groups who can facilitate the process or serve as an objective observer and guide.

- An independent consultant with SLA expertise, who can objectively facilitate the development process.

VARIATIONS IN SLA FOCUS

An SLA can focus on a specific service, technology, or customer, or a range of services, technologies or customers. It can be used locally or globally. The following examples illustrate some of these possibilities:

	FOCUS	EXAMPLES
1	Company-Wide	A Help Desk might create a single agreement regarding services for all of its client departments.
2	Customized Client-Specific	A Data Center Operations group might have a different agreement with each of its client departments.
3	Company-Wide and Client-Specific	An organization providing shared services might create an SLA with each client which includes general provisions pertaining to all clients, combined with customized provisions regarding issues unique to each client.
4	Service-Specific	A consulting firm might negotiate a different SLA for each service it delivers to its clients.
5	Platform-Specific	An outsourcing vendor might have one SLA with a client company for mainframe services and another SLA for mid-range services.
6	Location-Specific	Each regional office of a company might create its own agreement with its clients, customizing it to the issues unique to that region, state, country, etc.

WHY BOTHER? BENEFITS OF AN AGREEMENT

An SLA offers benefits to both providers and customers. If you need to persuade others of the value of an SLA, start by identifying what you hope to accomplish as a result of creating it, such as:

1. Improved provider understanding of customers' needs and priorities

2. Clearer customer expectations of provider capabilities

3. Increased customer ability to compete for limited provider resources

4. Consistency between parties in evaluating service effectiveness

5. A context for focusing on continuous improvements

6. A framework for assessing and improving customer satisfaction

7. A competitive edge over other providers that don't use agreements

8. Less time lost in resolving conflicts between the parties

9. Clarity among parties regarding roles, responsibilities and accountabilities

10. A basis for building trust, cooperation and partnership between the parties

11. A framework for making a business case for increased resources

12. Greater customer control over costs relative to services delivered

13. Increased opportunity for long-term supplier/customer relationships

14. Contribution to ISO9000 certification

15. Part of an overall process improvement effort

FIVE CATEGORIES OF BENEFITS

Another way to look at SLA benefits that may be helpful in selling the value of SLAs is to organize the benefits into categories, such as these five:

A. SLAs help to **improve communication** by
   1. Creating an improved understanding between provider and customer
   2. Facilitating increased sharing of important information
   3. Providing timely feedback (and feedforward) about problems and needs
   4. Reducing the number and intensity of complaints

B. SLAs help to **manage expectations** by
   1. Clarifying the scope of services and the division of responsibilities
   2. Providing a context for realistic and reasonable expectations
   3. Creating a shared language
   4. Establishing priorities and service levels

C. SLAs help to **improve service delivery** by
   1. Providing an objective basis for assessing service effectiveness
   2. Facilitating the setting of performance thresholds
   3. Providing a context for service changes
   4. Providing a basis for continuous improvement

D. SLAs help to **strengthen relationships** by
   1. Helping providers and customers make contact
   2. Fostering a customer orientation
   3. Often reversing troubled relationships
   4. Conveying to service recipients that you're paying attention

E. SLAs help to **create a business orientation** by
   1. Providing a link between services and business objectives
   2. Facilitating the integration of new service offerings
   3. Creating cost/performance accountabilities
   4. Creating awareness of cost/benefit tradeoffs

THE ROLE OF THE SLA IN REDUCING UNCERTAINTY

The following service issues are among those you may want to address in your SLA:

1. Hours of operation

2. Problem/request acknowledgment

3. Problem resolution

4. Status notification

5. Recovery time

6. Service availability

7. Turnaround time for delivery

8. Planned downtime

9. Escalation procedures

10. Emergency procedures

11. Response time

12. Number of rings of the phone before answering

Note that all these service issues revolve around the matter of <u>uncertainty</u>. That is, when customers are dissatisfied with the service they receive, their dissatisfaction often stems from some uncertainty about that service.

For example, customers often wonder:

- How long will it take for my problem to be resolved?
- How do I know they received my message?
- What level of consistency or predictability in service delivery can I expect?
- When will service be restored?
- Whom do I contact if I'm dissatisfied with the service I am receiving?
- What level of service can I expect during evening hours?
- What is the status of the project they are carrying out for me?
- How will I know when service has been resumed?

A successful SLA focuses on information that helps to reduce or avoid customer uncertainty.

HOW LONG SHOULD AN SLA BE?

SLAs vary from one page to more than 100. Consider the following issues:

Too short:

Extremely brief SLAs (just a few pages) often lack important information. An SLA that is missing any of the Service Elements or Management Elements described in Chapters 4 or 5 is too short, no matter what its length.

Too long:

Extremely long SLAs (100 pages or more) are often overly detailed; their very length makes them off-putting and hard to read. When legal requirements necessitate a lengthy document, it is advisable to present purely legal provisions separately from service information, so that those interested in the latter can locate it and read it.

Just right:

A service level agreement should be as long as it must be and as short as it can be. SLAs 10 to 50 pages long are not unusual. The longer it is, the more important it is to focus on structure, clarity and readability.

In evaluating an existing or draft SLA, ask whether it includes all the information it should, while omitting information that is unnecessary, redundant, excessively detailed, or readily available elsewhere.

HOW LONG SHOULD AN SLA TAKE TO ESTABLISH?

Not surprisingly, this is one of the questions most frequently asked about SLAs.

Too short:

A major misconception about SLAs is that they can be created in a week. However, developing an SLA quickly is both difficult and inadvisable. It is difficult because of the workload involved. It is inadvisable because the process entails the two parties meeting, talking, learning more about each other's context, and building the foundation for a long-term relationship. To rush this process is to sabotage the entire effort.

Too long:

In this context, "too long" means the process has gotten bogged down because of such things as a lack of understanding of how to establish the SLA or the absence of a serious commitment to the effort. Before initiating an SLA effort, be sure you appreciate the effort involved and have both the time and the know-how to proceed.

Just right:

Establishing an SLA is typically a many-month process of information-gathering, analyzing, documenting, educating, negotiating, and consensus-building. The duration of the effort depends on the complexity of the service environment, the proximity of the parties, the span of impact of the SLA, the relationship between the parties, and the experience of the SLA developers.

Although it is difficult to estimate how long the process will take, 3 to 6 months is a good rule of thumb, with three months for relatively straightforward SLAs and six months for more complex situations. In certain situations, six months may prove too short; however, if you have not made substantial progress within three months and the effort lacks a reasonable momentum, it would be advisable to discontinue the effort and determine what's holding it back. Otherwise, you might end up devoting time and resources to an effort that's likely to fail.

Despite this rule of thumb of 3 to 6 months, you may be able to create your own SLAs in less than 3 months. And whatever amount of time the first SLA takes, the experience you've gained and processes you've created make it likely that you will be able to create subsequent SLAs in less time.

HOW LONG SHOULD AN SLA REMAIN IN EFFECT?

Occasionally, I see SLAs that describe a starting and ending date, often with a review required within a certain time period before the ending date and renewal subject to agreement by the parties involved.

However, although this approach is appropriate in contractual SLAs (those that are part of a legal contract), it rarely makes sense in internal SLAs. In the internal context, it is more appropriate to view the SLA an ongoing agreement that will remain in effect indefinitely unless certain circumstances arise that justify its termination.

Such circumstances might include, for example:

Termination of the services described in the SLA. If the provider discontinues the services described in the SLA, there is no reason for its continued existence and both parties can be released of any responsibilities described in the SLA, subject to any specifically identified that would need to continue following the termination of the services (such as assistance by the provider in helping customers transition the services to another provider).

Termination of the relationship between the parties to the SLA. If the parties agree to terminate their relationship, the SLA ceases to function as soon as the parties agree that its use can be terminated.

A large-scale reorganization that invalidates existing SLAs. When a company undergoes a major reorganization, it may be possible to adapt existing SLAs to the new relationships. Often, however, it's easier to terminate existing SLAs and start over, drawing from the existing SLAs to the extent feasible. Even when SLAs may not require substantial revision to accommodate the reorganization, parties to the new relationship may prefer to negotiate their own SLAs rather than be held to the terms of SLAs that preceded those relationships.

An SLA that is part of a legal contract may articulate in detail the conditions, such as those above and others, that would warrant termination of the contract. Internal SLAs less often include language about SLA termination, although it's fine to do so.

Regardless of conditions warranting termination of an SLA, it is always advisable to conduct an in-depth review of the SLA annually with an eye to making adjustments as agreed to by all pertinent parties.

WHEN *NOT* TO ESTABLISH AN SLA

It may be inappropriate or counterproductive to attempt to establish an SLA if you are facing:

1.	**A relationship problem**	If the relationship between the parties is troubled, attempts to establish an SLA may backfire. Under such circumstances, it may be preferable first to try to understand the other party's perspective, address some immediate problems, and develop a plan to improve the long-term relationship. Establishing an SLA would be part of this long-tem plan.
2.	**A communication problem**	For example, if the service provider has not adequately described its offerings, customers may use services inappropriately. What is needed in this case may be not an SLA, but improved service information. Preparing and documenting service offerings is part of establishing an SLA, and therefore a stepping-stone if an SLA is subsequently desired.
3.	**An organizational problem**	For example, service staff may be confused about overlapping responsibilities. This situation calls for not an SLA, but improved clarity about the division of responsibilities within the service organization.
4.	**A resource problem**	For example, one or both parties may be unwilling to dedicate staff to the SLA process. Establishing an SLA is neither a simple nor a casual process. In the absence of dedicated (though not necessarily full-time) staff to establish and manage an SLA, the SLA is unlikely to be completed.
5.	**A know-how problem**	For example, when neither party adequately understands how to establish an SLA, efforts to do so usually falter, and often, are eventually halted and deemed a failure. A failed SLA effort can make dissatisfied customers even more dissatisfied. When appropriate, the use of outside expertise can help to expedite the process and to ensure it is successfully carried out.

HOW TO MAKE AN SLA FAIL!

Many factors can account for an SLA either never reaching completion or becoming operational but functioning ineffectively. However, the following factors stand out as ones to particularly guard again. These factors are described in detail throughout this handbook, and are stated here as well for emphasis.

For a detailed examination of why SLAs fail, see my guide, **Why SLAs Fail and How to Make Yours Succeed**. Details: **www.nkarten.com/book2.html**.

1. **Use of the SLA as a weapon**

    Service providers sometimes want to create an SLA to suppress customer complaints; however, customers will see such an SLA as just one more thing to complain about. Conversely, customers sometimes want to use an SLA as a club with which to bludgeon the service provider whenever service slips, as though each such blow will motivate them to deliver better service. For an SLA to succeed, both parties must view it not as a "gotcha," but a tool designed to manage expectations, improve communications, clarify responsibilities and strengthen relationships.

2. **Confusion between the SLA document and the SLA process**

    Establishing an effective SLA requires *much* more than simply filling in the blanks of an SLA template or modifying a sample agreement. The process of communicating and building the foundation for a win-win relationship is essential to the success of the SLA. When this process works, the resulting document is secondary. If this relationship is lacking, even the best-written document will be worthless.

3. **Holding unrealistic expectation about how long it will take to establish**

    The assumption that creating an SLA is a start-today, done-tomorrow process is a very common misconception. It's difficult to develop an SLA quickly because of the workload involved in such tasks as negotiating service standards, establishing tracking mechanisms, designing reports, documenting procedures, and generating buy-in. The process is designed to help the two parties build the foundation for a strong, successful, long-term relationship. To rush this process is to sabotage the entire effort.

HOW TO MAKE AN SLA FAIL!
(continued)

4. **Omitting the management elements of the agreement**

   An SLA requires both service elements (the services provided and the conditions of service delivery) and management elements (service tracking and reporting, periodic service reviews, and the process for making changes to the SLA). Both service and management elements are necessary if an SLA is to be effective; yet the management elements are often lacking. The result is not an SLA, but a statement of services that cannot be expected to function as an SLA.

5. **Creating the agreement unilaterally**

   Both parties must be involved in the formulation of an SLA. If one party attempts to control the process, members of the other party may resist its provisions even if they might otherwise support them. Although it may not be feasible for both parties to collaborate on every aspect of the SLA development, the overall process must be one in which both parties have some say. If it's not an agreement, don't call it an agreement!

6. **Misunderstanding the development process**

   Establishing an SLA is a process of information-gathering, analyzing, documenting, educating, negotiating, and consensus-building. If SLA developers lack familiarity with this process, it sometimes hobbles along and never reaches completion. Some managers initiate an SLA development process enthusiastically and with good intentions, but conclude, sometimes after several months of unproductive attempts, that they didn't really know how to go about it.

7. **Neglecting to manage the implemented agreement**

   A common misconception is that once the SLA document is complete, the job is done. Unfortunately, an SLA that is not managed dies upon implementation. Managing the SLA entails such things as ongoing communications about service delivery, reassessing service standards, tracking and reporting key performance indicators, holding periodic service review meetings, and overseeing pertinent service modifications.

REMEMBER THE HUMAN FACTOR

In the chapters that follow, you will be reviewing steps and tasks and pieces and parts: impersonal guidelines, in other words. But it's important to remember that SLAs are about people. An agreement is not just a piece of paper or a file posted on a website. It's an understanding between individuals or groups who are striving to work together effectively. And an awareness that SLAs are about people, not procedures, is a critical key to success.

Keep in mind that for individuals (and organizations) that have not previously used SLAs, they represent a change in the way work is carried out. That's not a trivial matter. Change upsets the relative stability of whatever came before. Almost any change — or even just a rumor of a coming change —can create some anxiety and turbulence, as people wonder, "What does it mean for me?"

Here is what's important to understand about this state of anxiety and turbulence: It's perfectly normal. It's human. It's how people react to change. Major change is a felt experience, and people may very well react emotionally than logically and rationally, at least initially.

Therefore, it's unreasonable to introduce a change, SLAs or any other, and expect everyone to instantly adjust. Some people will, but many won't, and wishing that it were otherwise won't make it so.

However, how you communicate with those affected can significantly reduce the duration and intensity of that turbulence. Therefore, in implementing SLAs:

- Accept that a certain amount of pushback is inevitable.
- Keep people informed about what's happening, doing your best to stay ahead of the rumor mill.
- Treat the old way with respect, recognizing that it was a place of relative familiarity and comfort.
- Acknowledge the turbulence people are experiencing and listen to and empathize with their concerns.
- Acknowledge progress and even small successes.
- Build trust so that those affected will be open to your ideas and advice.

My eBook, **Changing How You Communicate During Change**, offers ideas and advice for successfully introducing — and coping with — change. Details: **www.nkarten.com/changeguide.html**.

CHAPTER 9:

SERVICES AND RESOURCES BY NAOMI KARTEN

Chapter Overview:

This chapter describes my services and resources and how to obtain additional information about any that are of interest.

SLA Services and Resources

Books, Handbooks and Guides

- **Handbook:** *How to Establish Service Level Agreements*: This eBook provides detailed information on the elements of an SLA and their functions, the process of creating an SLA, and recommendations for avoiding the flaws and failures that many organizations experience. Includes numerous examples and two SLAs for evaluation purposes. **www.nkarten.com/book2.html**

- **Guide:** *Why SLAs Fail and How to Make Yours Succeed*: An eBook that describes key reasons SLAs fail, and what to do to avoid these situations and improve the odds of success. **www.nkarten.com/book2.html**

- **Guide:** *An SLA Template and How to Use It*: An eBook that presents an SLA template and offers guidelines, recommendations and examples for how to turn the template into a completed SLA. **www.nkarten.com/book2.html**

- **Guide:** *How to Critique and Strengthen Your SLAs*: An eBook that describes and explains evaluation criteria to use in assessing and enhancing your SLA documents. **www.nkarten.com/book2.html**

- **Book:** *Communication Gaps and How to Close Them*: A book featuring a chapter entitled "Service Level Agreements: A Powerful Communication Tool" **www.nkarten.com/book2.html**.

Articles

- Articles on SLAs and related topics: **www.nkarten.com/indepth.html**

- An SLA FAQ page: **www.nkarten.com/slafaq.html**

- Articles on SLAs from my newsletter, **PERCEPTIONS & REALITIES,** at: **www.nkarten.com/SLAarticles.pdf**. Numerous issues of this newsletter are posted at: **www.nkarten.com/newslet.html**.

SLA Training and Consulting Services

- An overview of my SLA services: **www.nkarten.com/slaservices.html** and a print version: **www.nkarten.com/SLAservices.pdf**

- A review of your draft or operational SLA with detailed feedback and recommendations by email. For details, contact me at naomi@nkarten.com.

TRAINING IN HOW TO ESTABLISH SLAs

Would a Workshop Help You Expedite Your SLA Effort?

This workshop focuses on the SLA as both a process and a product, and is customized to address your specific issues and concerns.

This information-packed workshop includes lecture, discussion, case studies and practice sessions to help you to quickly develop SLA expertise and to understand:

- What an SLA realistically can and cannot accomplish
- What makes an SLA work well — or not so well
- The key elements of an SLA and their functions
- How to plan, develop, and manage an SLA
- The wording to use in an SLA
- How to avoid the pitfalls that cause so many SLAs to fail
- What to look for in critiquing an SLA
- What you must do to be successful in establishing your own SLA

And also . . .

Would you like feedback on your draft or existing SLAs? I perform SLA evaluations and provide detailed feedback and recommendations by email.

Contact me if you'd like additional information. I'd enjoy being of assistance.

Naomi Karten
781-986-8148
naomi@nkarten.com

NAOMI KARTEN
Speaker, Consultant, Author

NAOMI KARTEN

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I work with organizations that want to improve customer satisfaction and with groups that want to work together more amicably. My services include seminars, presentations, consulting, and coaching. I have given seminars and presentations to *more than 100,000 people* in the US, Canada, and Europe, as well as Japan and Hong Kong. I've published several books, handbooks and guides, and more than 300 articles. Readers have described my newsletter, PERCEPTIONS & REALITIES, as lively, informative and a breath of fresh air. Prior to forming my business in 1984, I earned a B.A. and an M.A. in psychology and gained extensive corporate experience in technical and management positions.

SEMINAR TOPICS

- Managing Customer Expectations
- Establishing Service Level Agreements
- Introducing, Managing and Coping with Change
- Introverts and Extroverts in the Workplace
- Consulting and Communication Skills

and more. Details: www.nkarten.com/sem2.html

PRESENTATION TOPICS

- Tales of Whoa and The Psychology of Customer Satisfaction
- Black Holes and the Art of Managing Customer Expectations
- Why SLAs Fail — and How to Make Yours Succeed
- 40 Frequent Feedback-Gathering Flaws and How to Fix Them
- Changing How You Communicate During Change

and more. Details: www.nkarten.com/pres2.html

BOOKS & OTHER WRITTEN RESOURCES

- PERCEPTIONS & REALITIES newsletter:
  For your enjoyment: www.nkarten.com/newslet.html
- Managing Expectations: Working with People Who Want More, Better, Faster, Sooner, NOW!
- Communication Gaps and How to Close Them
- How to Establish Service Level Agreements
- 40 Frequent Feedback-Gathering Flaws and How to Fix Them
- How to Survive, Excel and Advance as an Introvert

and more. Details: www.nkarten.com/book2.html

SAMPLE CLIENTS

Wyeth
Teradyne
Hewlett-Packard
Farmers Insurance
Pioneer Hi-Bred International
Middlebury College
Zurich Insurance
Merrill Lynch
FAA
Forest Service
ING
SSM Healthcare
Convergys
Motorola
Guardian Life of the Caribbean

A LITTLE LIGHT READING

For a set of articles that will tickle your fancy, see:
www.nkarten.com/fancytickling.pdf

PLEASE . . .

get in touch to discuss how I can help you, or just to say hi. I'd enjoy hearing from you.

Naomi Karten

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