

Controlling Suppliers and Services using Service Level Agreements

Marcellus Brown

Rayners Lane Consultants Ltd

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Introduction

Service Level Agreements are used to ensure **suppliers of services** provide the **required availability** or **control the quality** of their deliveries to the **organisation paying for the services**. The suppliers of the services **can be brought to account** if the required services are not **supplied to the agreed level**.

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- ▶ Where SLAs fit
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Presentation Scope

Inside

- ▶ SLA overview
- ▶ Simple SLA
- ▶ 2 Level SLA
- ▶ What would be in an annexe to a contract

Outside

- ▶ OLA (Operational Level Agreements)
- ▶ Business continuity

SLA Scope

- ▶ A SLA can only cover what is controlled by the organisation and the supplier(s)
- ▶ SLAs are a model of part of the real world
- ▶ As part of a contract the language has to be correct to be legally enforceable

Simple SLA

- ▶ The service target is 99% available. This is monitored for each month and a credit will be applied to the next month's billing.
- ▶ Players:
 - ▶ Service Management
 - ▶ Supplier(s)
 - ▶ Users
 - ▶ Helpdesks / Issue reporting
 - ▶ System Monitoring
 - ▶ Accounting



More Complex SLA

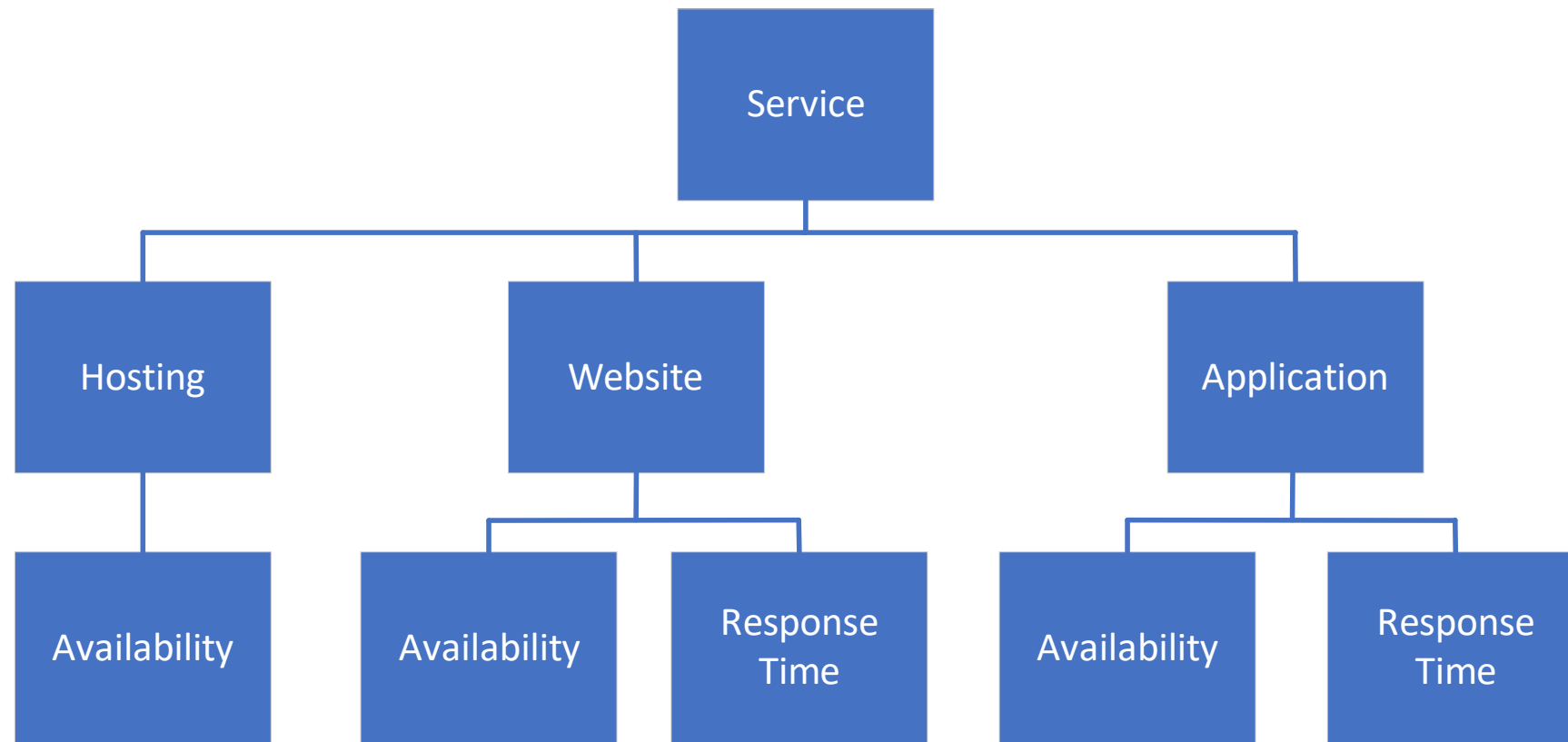
- ▶ The service target is 99% available. This is monitored for each month and a credit will be applied to the next month's billing.
- ▶ The maximum service failures a month is 5 each failure will incur a penalty.
- ▶ Fix time for a service failure is a maximum of 1 hour, exceeding this will incur a penalty.
- ▶ Players:
 - ▶ Service Management
 - ▶ Supplier(s)
 - ▶ Users
 - ▶ Helpdesks / Issue reporting
 - ▶ System Monitoring
 - ▶ Accounting

01/10/2022 - 31/10/2022						
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
September 26	27	28	29	30	October 1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	November 1	2	3	4	5	6

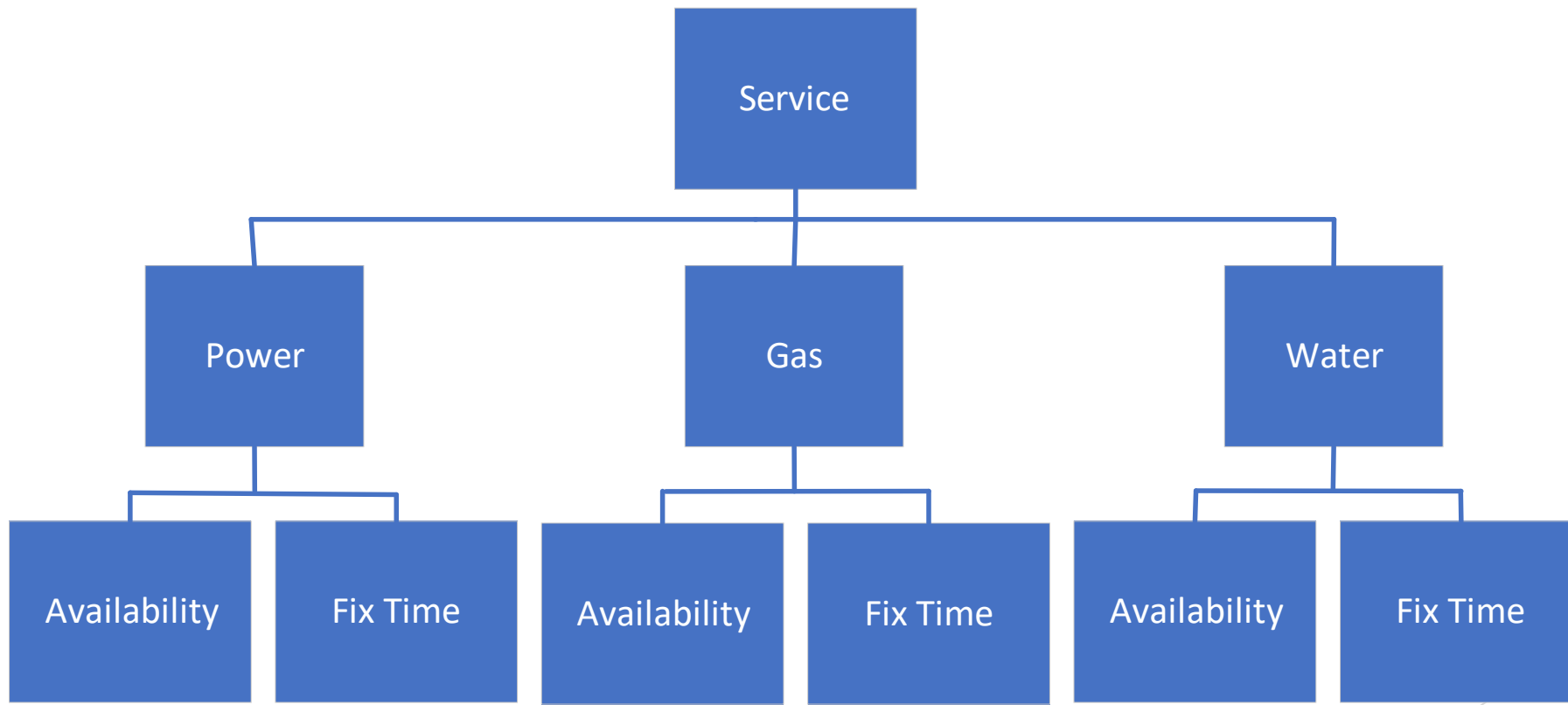
Where SLAs fit

- ▶ Part of service design
- ▶ It is between a customer and a supplier.
- ▶ The SLA is normally an annex to a contract so it can be maintained and signed off by all parties independently of the contract.
- ▶ A customer may have a contract with a “performing” supplier which sub-contracts all or parts of a service to other suppliers.
- ▶ The SLA has to be scoped and managed so the customers use the service and the supplier provides the service in a win-win outcome.
- ▶ Continual Service Improvement
- ▶ Exceptions have to be managed e.g. business continuity management

Services - 1

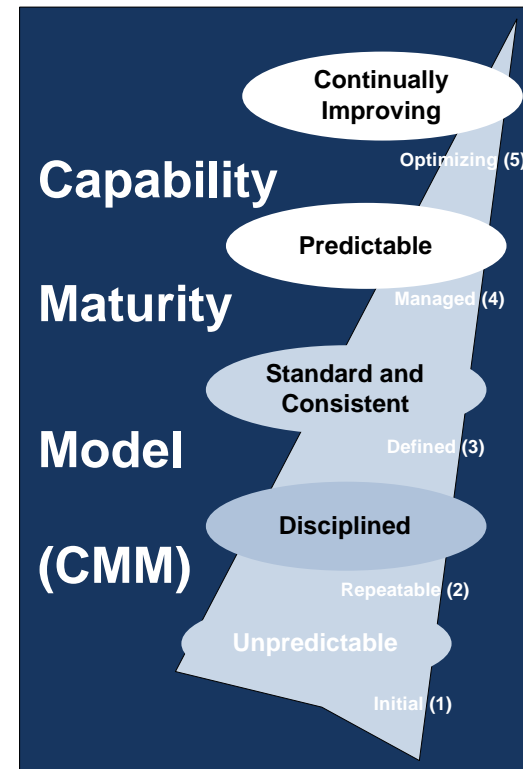


Services - 2



Organisation Maturity

- ▶ A customer organisation must be able to monitor the supplier(s)
- ▶ The SLA must meet the needs of the customers it should not demand too much or too little. E.g. 24x7 for office use of 08:00-18:00, 09:00-17:00 for all European customers
- ▶ The architecture of the service supplied must be understood so weaknesses or risks to the service users (it can be hard to find out from a hosting company if there is a single failure point between the service and the service user)
- ▶ Periodic reviews of SLA and services



Adapted from EDS Employee Development (1996)

SLA Monitoring

Items monitored

- ▶ Availability
- ▶ Response time
- ▶ Data accuracy
- ▶ Service response time
- ▶ Time to fix
- ▶ Delivery time
- ▶ Install time

Management

- ▶ Scope of monitoring - exclude or mitigate factors outside organisation or supplier control
- ▶ Customer monitoring
- ▶ Supplier monitoring
- ▶ Reporting
- ▶ Customer-supplier communication and engagement

Summary

- ▶ Presentation Scope
- ▶ SLA Scope
- ▶ Simple SLA
- ▶ More complex SLA
- ▶ Where SLAs fit
- ▶ Services
- ▶ Organisation Maturity
- ▶ SLA Monitoring

References

- ▶ ITIL Resources
<https://www.iti1-docs.com/en-gb/blogs/service-management/service-level-agreement-template>
- ▶ 6 SLA Best Practices for Service Management Success
<https://www.bmc.com/blogs/sla-best-practices/>
- ▶ Managing Successful Projects
<https://www.techtarget.com/searchitchannel/definition/service-level-agreement>

Questions

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Marcellus Brown

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marcellus.brown@raynerslaneconsultants.co.uk