Excerpt from

How to Establish Service Level Agreements

NAOMI KARTEN

+1-781-986-8148
naomi@nkarten.com

www.nkarten.com
www.ServiceLevelAgreements.com

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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
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
NAOMI KARTEN
Speaker, Consultant, Author

NAOMI KARTEN
781-986-8148, naomi@nkarten.com, www.nkarten.com
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
- 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

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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