During my many years in IT, the IT/customer relationship in the companies I worked in could best be described as adversarial. Thus began my interest in service level agreements (SLAs), which became a key component of the training and consulting business I subsequently formed to help organizations manage customer expectations. I have now delivered SLA seminars and consulting services internationally for more than a decade, and my SLA handbook ("How to Establish Service Level Agreements") is in use worldwide.

What makes SLAs so effective is that they are formal, negotiated agreements that enable IT organizations and their customers to collaboratively identify, discuss, and manage service expectations. Furthermore, SLAs help to clarify responsibilities, strengthen communication, reduce conflict, and build trust. The result: an enhanced ability to work together amicably and productively. And as many IT organizations have found, these benefits accrue not just when an SLA is in operation, but even as it’s being established, because of the power of the communication process that’s at the heart of the SLA effort. Though SLAs were largely IT-based for years, many organizations are now implementing them to strengthen relationships between other groups as well.

Despite their potential, however, not all SLAs are successful. In working with numerous companies and reviewing hundreds of SLAs, I’ve identified several factors that cause SLAs to fail. One of the more prevalent factors stems from the tendency to overcomplicate the SLA effort.

Some examples:

- An IT manager told me he’d been working on an SLA with client division for almost two years, but they couldn’t finalize it because they kept getting bogged down on points they couldn’t agree on.
- An IT director asked for feedback on an SLA that was so tediously long, oppressively detailed, and crammed with such tiny print that it was barely readable.
- In devising service tracking to support their SLAs, an IT group fell into a track-everything-imaginable mindset. Unsure of how to cope with the resulting overload of data, they did nothing.
In several IT organizations, each group creating an SLA uses its own process and format. The result: a hodge-podge of SLAs, some two pages long, some 40 pages, many missing essential elements, no two functioning alike and, not incidentally, customers no more satisfied than prior to the use of SLAs.

Clearly, if undertaken inappropriately, SLAs don’t solve problems; they create them. The “keep it simple” advice often heard in other contexts applies doubly to SLAs. In particular:

- **Start small.** An SLA is a living document and a highly flexible tool. This means, among other things, that it can be implemented in phases, based on a subset of services, customers, sites, platforms, or whatever other criteria will most readily generate benefits for the parties to it and the organization overall. It’s even possible to implement an SLA based on whichever terms and conditions the parties have reached agreement on, while they continue to negotiate the rest. A limited-scope SLA that is enacted now will improve service effectiveness; not so a comprehensive SLA that never quite reaches completion.

- **Ensure document readability.** An SLA should be as long as necessary and as short as possible. But the quality and completeness of the information in it is irrelevant if that information isn’t accessible and readable. Simple common sense applies here: short sentences and paragraphs, wide margins, reasonably large type size, and use of visual elements such as charts and bullets to highlight key points and minimize wordiness. Surprisingly, although web-based SLAs can reduce document complexity through the judicious use of links, very few organizations thus far are using their intranets to house their SLAs.

- **Track the fewest possible indicators.** Service tracking and reporting are essential to SLA success. Yet, while well-run IT organizations do extensive tracking to monitor their internal functioning, tracking for purposes of the SLA should be limited to the fewest possible number of indicators. The indicators selected — such as availability, reliability, responsiveness and turnaround time — should be those that will provide an objective basis for the IT organization and its customers to assess and address service effectiveness. If additional tracking proves to be warranted, it can always be added later.

- **Strive for consistency.** One of the first steps in creating SLAs is to develop a template that can serve as a guide for both initial and future SLAs. Use of a template ensures consistency across SLAs and guarantees inclusion of all necessary elements, while allowing for provisions that address unusual circumstances or special considerations. Consistency also simplifies the job of managing the SLAs if, as in
many organizations, a team is designated to oversee SLA management after numerous SLAs have already been created.

There is no one right way to undertake an SLA effort, but many ways to make it insidiously complex and painfully cumbersome. SLAs that follow a “less is more” philosophy generate bigger benefits faster.

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Related Reading


