Service Level Agreements

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Description: The operations of an effective and efficient enterprise-wide computing capability, whether provisioned in-house or outsourced, demands that expectations between provider and client be documented. This document is commonly referred to as a Service Level Agreement (SLA), and requires buy-in and formal approval by both the provider and the client. Of course, most CIOs are both providers and consumers of services, so we need to provide SLAs to our internal/external customers as well as expect SLAs from our providers. The SLA spells out the responsibilities of all stakeholders, the level of service to be expected, the scheduled environment/system downtimes, and the consequences (e.g. penalty payments) of not meeting the agreed-upon expectations. Overall ownership of the SLA rests with the provider. The SLA should be seen as a living document, closely tracking the changes that take place in the operational environment.

Benefits: An operation in which expectations are clearly defined in a mutually agreed upon SLA will enjoy the following benefits:

1. Higher customer satisfaction as expectations are clearly defined and performance against those expectations can be objectively presented
2. A common understanding of roles and responsibilities both within and outside of the IT group
3. A common communication system between provider and client for interfacing with the data center operations function
4. Clear identification of the implication of service levels not being met

First Steps: If SLAs are not in place in your organization take the following steps:

1. Begin by identifying your key service providers and establish SLAs with them immediately
2. Identify the key services you provide to internal customers and establish SLAs with this group
3. Finally, depending on the nature of your business, consider establishing SLAs with external customers to whom you provide service; this can help provide an objective, metrics-based foundation for performance evaluation

Example: The outline for an SLA is provided in Figure 1 below.

SERVICE LEVEL AGREEMENT

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