

Aligning IT with Business by Managing Service Levels



By Char LaBounty
President, LaBounty & Associates, Inc.



Agenda

- Discuss the common challenges currently faced by IT Service Organizations
- Review of the ITIL Framework
- Define the 6 essential components of Service Level Management (SLM)
- Provide a roadmap for achieving SLM at your organization
- Review the benefits of SLM



The Common Current State

- Most IT Support Organizations have achieved good call statistics
- But this is may not be enough due to:
 - ✓ Continuing friction between business units and IT
 - ✓ Continuing cost-cutting mandates focused on IT
 - ✓ Continuing trend toward outsourcing
- So, what's wrong?



The Need for IT/Business Alignment

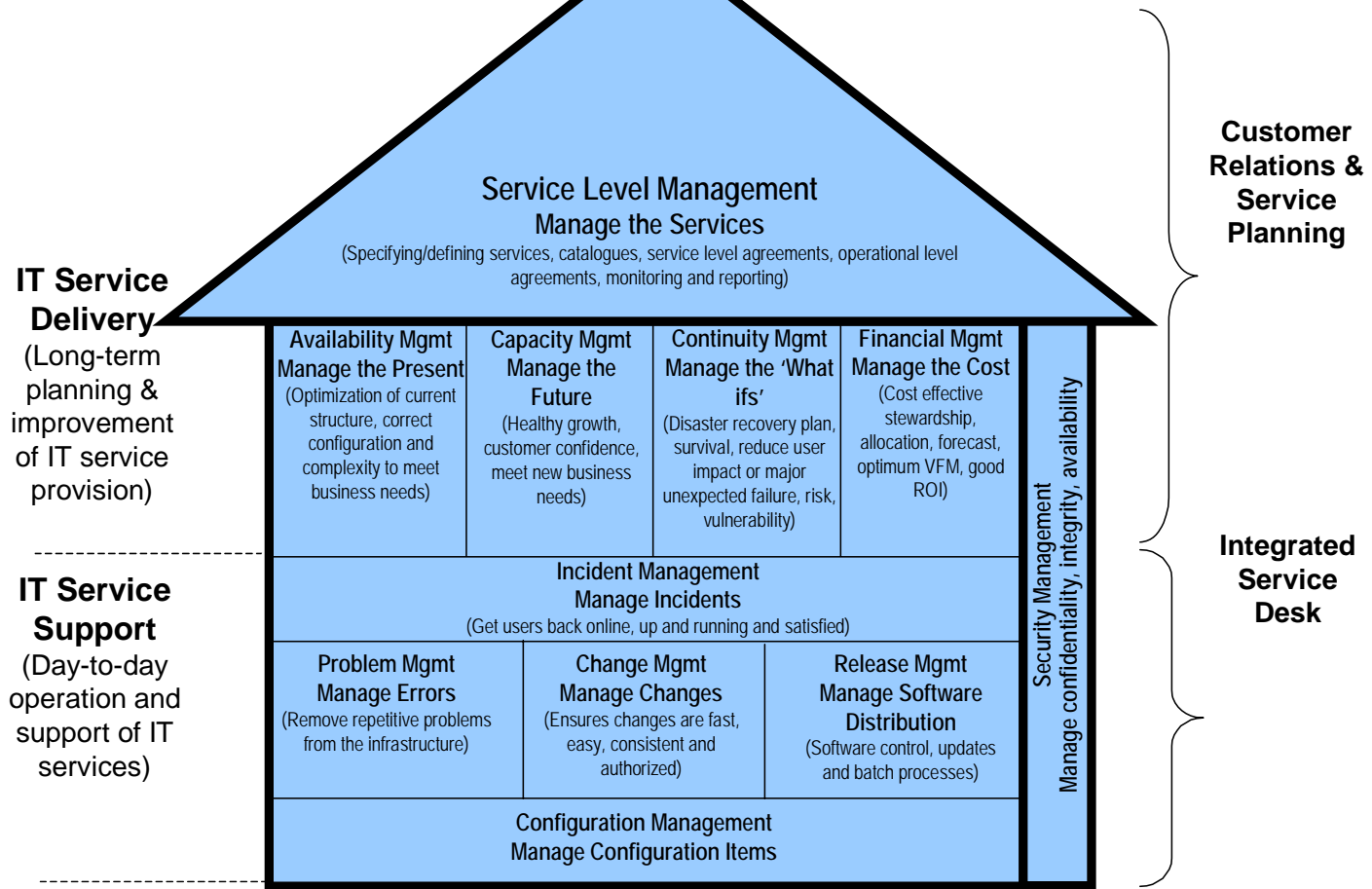
The pace of business has accelerated to the point that the typically archaic forms of Change Management leave most IT organizations far behind their business units. Unless they can align themselves with the businesses they support, they run the risk of becoming irrelevant.



The Challenges

- Fluid Business / Static Service
- Change Non-Management
- Disunity
- Deception of Good Customer Satisfaction Scores
- Legacy of SLM Failure

Conceptual Model



Source: Pink Elephant

Service Level Management (SLM)





Service Level Management

What is Service Level Management?

Service Level Management is the over-riding principal that allows businesses to achieve a healthy alignment between its IT Service Organization and its core lines of business.



Six Essential Components

- Service Level Agreements (SLAs)
- Operational Level Agreements (OLAs)
- Underpinning Contracts (UCs)
- Effective Reporting
- Service Catalog
- Enabling Toolset



1. Service Level Agreements

Service Level Agreements, and the processes associated with them, provide a methodology for introducing and implementing reasonable expectations between you and the customers you support. They establish a two-way accountability for service, which is negotiated and mutually agreed upon.



2. Operational Level Agreements

Operational Level Agreements establish specific technical, informational, and timeframe requirements needed for each IT group to provide the services that will be delivered to the customer.



3. Underpinning Contracts

Underpinning Contracts should be put in place with any 3rd party vendors that provide a service that IT requires to deliver service to the customers. They complete the chain of accountability and control for seamless service delivery.



4. Effective Reporting

Reporting efforts need to complement the key measurements in OLAs, SLAs, and UCs. Reports that show the overall SLM performance must be communicated upward to IT management, IT middle management as well as customer management.



5. Service Catalog

IT should compose a list of all products and services being provided, as well as a summary of their characteristics, which customers receive the service, and which group supports each product or service.

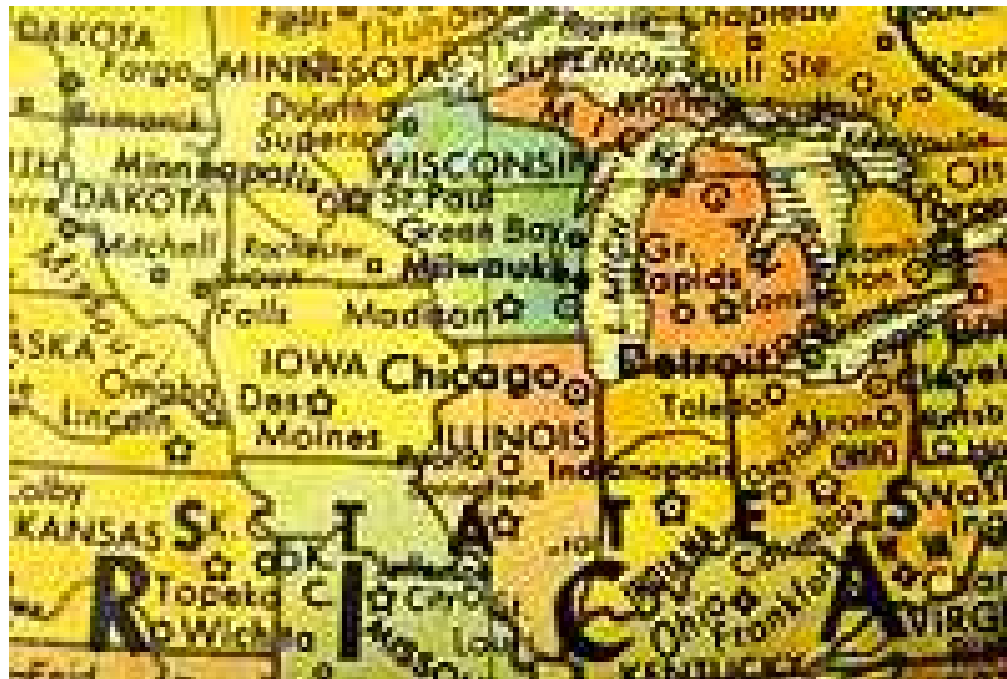


6. Enabling Toolset

SLM is an IT enterprise-wide initiative that is much too complex to monitor and maintain manually. A tool is required to manage the vast matrix of data flow.

Inadequate toolsets is the most-common reason why SLM fails in organizations.

The Roadmap





A 13-Step Process

1. Establish a Customer Service Culture
2. Gain Executive Support
3. Obtain Adequate Staffing
4. Build Appropriate Vision and Mission Statements
5. Clearly Define Service Offerings
6. Identify Key Stakeholders
7. Develop OLAs and UCs



A 13-step Process – Cont.

8. Develop Workflows and Processes
9. Implement Enabling Technologies
10. Define Report Requirements
11. Establish an internal baseline period for all OLAs
12. Develop SLAs
13. Keep Your Finger on the Pulse



Who should use SLM?

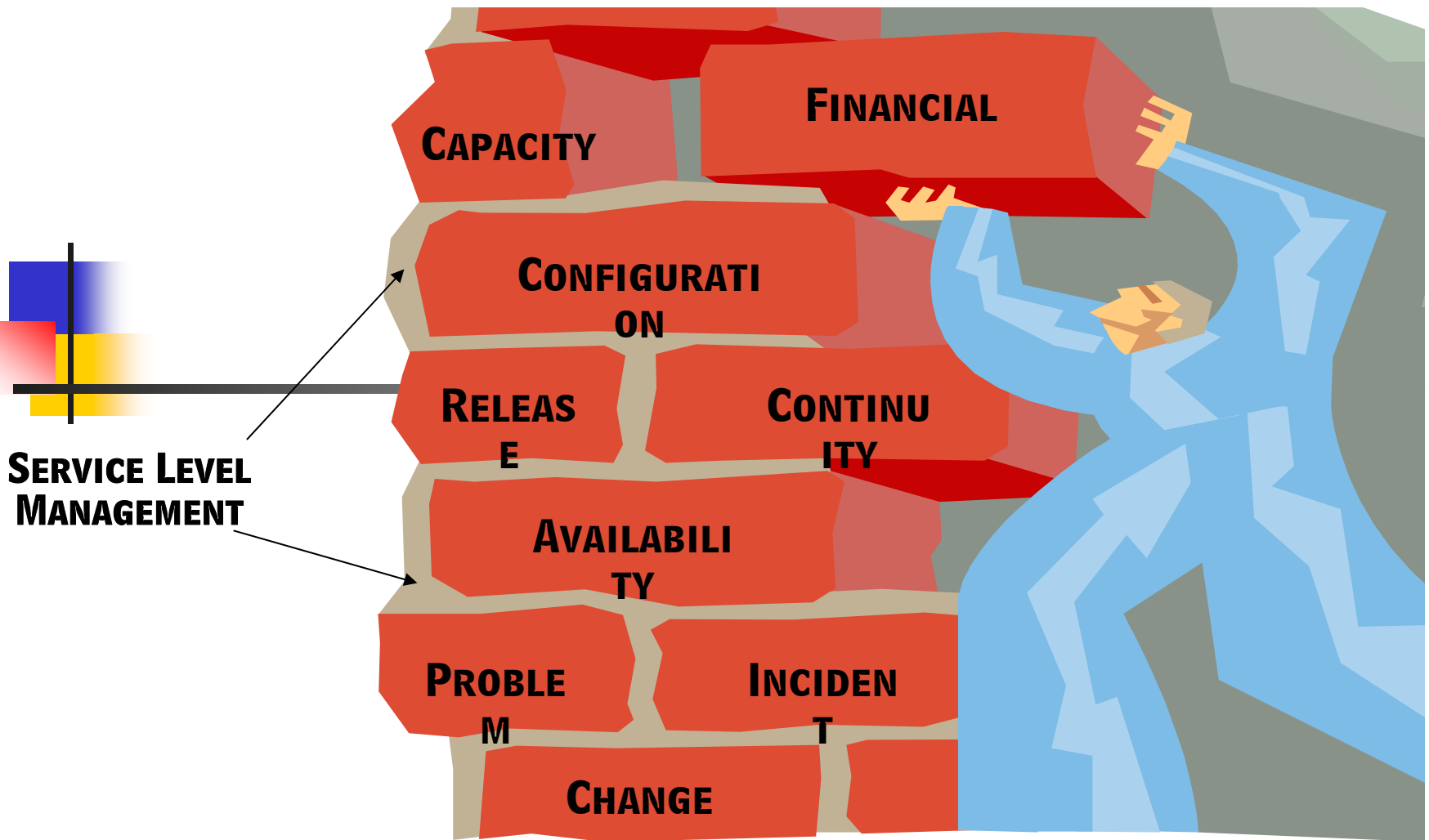
- All IT Service organizations should make themselves aware of the concepts of SLM
- A full implementation of SLM may not be appropriate for all IT Service organizations
- In organizations where IT and business units are not aligned, SLM should be considered as the solution



The Benefits of SLM

- IT becomes more business-focused
- Business units see the IT Enterprise as an asset that will allow them more freedom in the marketplace
- IT Management makes better informed decisions
- Costs are reduced due to better IT resource allocation
- Costs are reduced due to the elimination of common problems
- The overall performance of the technology resources improves—improving the value of the IT investment

SERVICE LEVEL MANAGEMENT



“The Mortar of Process Maturity”



LaBounty & Associates, Inc.

Service Management Consultants

Copyright © 2005 LaBounty & Associates, Inc.

No part of this publication can be reproduced without the expressed written consent of LaBounty & Associates, Inc.

303-660-5994

www.labountyassociates.com

email: char@labountyassociates.com