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# IT Service Level Management Framework

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## Introduction

Information Technology (IT), once seen as only for “software development,” has now found its way into all types of organizations. Businesses that fail to embrace IT and IT leaders who fail to be strategic partners to their business leaders will also fail to lead the business towards their competitive advantage. This is especially true when many business leaders see IT as a costly organizational unit that needs to be controlled.

So, what does it really mean for an IT organization to be a strategic partner? Does providing solutions to a business problem alone make fulfil this role?

IT organizations should not just provide solutions and solve business problems, but should understand what creates business value and align IT service delivery and management to do so. Value-driven IT service management organization is what brings quality of service to drive business outcomes.

How then do we achieve delivery and management of IT services?

Service Level Management (SLM) as a process must be incorporated by every organization to deliver an agreed level of quality IT services. SLM should incorporate the usage of Service Level Agreements (SLAs), and supported operational documents such as Operational Level Agreement (OLAs) and Underpinning contracts (UCs) to ensure IT services are measured for quality, supported and delivered in a structured, consistent and professional manner applying global best practices and standards.

SLM must incorporate continual alignment between customers of IT and delivery of IT services, provide a consistent interface to the customers who are using IT services.

In this document we provide a framework and schema that details activities to be included in SLM process and provide recommended directives and schema which organizations can use to define service levels targets and operational service procedures to support value creation to business.

The content of this paper is based on best practices as defined on the ITIL® framework.

## Purpose & Objectives

The purpose of the SLM process is to ensure that IT organizations can deliver all current and planned IT services to agreed achievable targets as described in the SLA. This is executed by defining, negotiating, agreeing, documenting, monitoring, measuring, reporting and reviewing the level of IT service targets, through instigation of corrective actions to continually improve the level of service delivered.

The SLM process should ensure specific and measurable targets are developed for the IT services being delivered to their customer. Customer satisfaction and overall user experience should be monitored and improved to ensure a positive user's perception that results from the use or anticipated use of the IT services.

SLM processes should include development of relationships with the business, documenting negotiations and agreements, and the monitoring, measurement and reporting of current and future service level requirements and service level agreements. For all IT services delivered to the business, respective supporting operational level agreements must be developed, agreed between the operational units and managed.

In conjunction with supplier management, the SLM process must review all supplier agreements and related underpinning contracts to ensure targets are aligned to deliver SLA targets to customer.

Proactive prevention of service failures identifies gaps and steps to mitigate service risks and improvement of quality of service levels in concurrence with all other supporting processes must be included in SLM process. Continual Service Improvement (CSI) register should be created to document all improvement opportunities identified to improve the quality of IT services delivered to customer.

## High-Level Process Model

The purpose of this section is to provide a High-Level view of an organization’s SLM process. The SLM high-level process flow diagram defines each of the SLM activities. The content in this section has been designed to follow ITIL best practices. Organizations that already have SLAs in place should monitor and report on existing service levels. For new or changed services, the process should start with the defining service level requirements.

Before beginning the activities to establish Service Level Requirements (SLRs) and SLAs, an organization must establish and document a framework for SLM and a structure for SLAs. At a very high level, ITIL defines key activities for the SLM Process. These process activities are illustrated in the Service Level Management High Level Process Flow diagram on the following page.

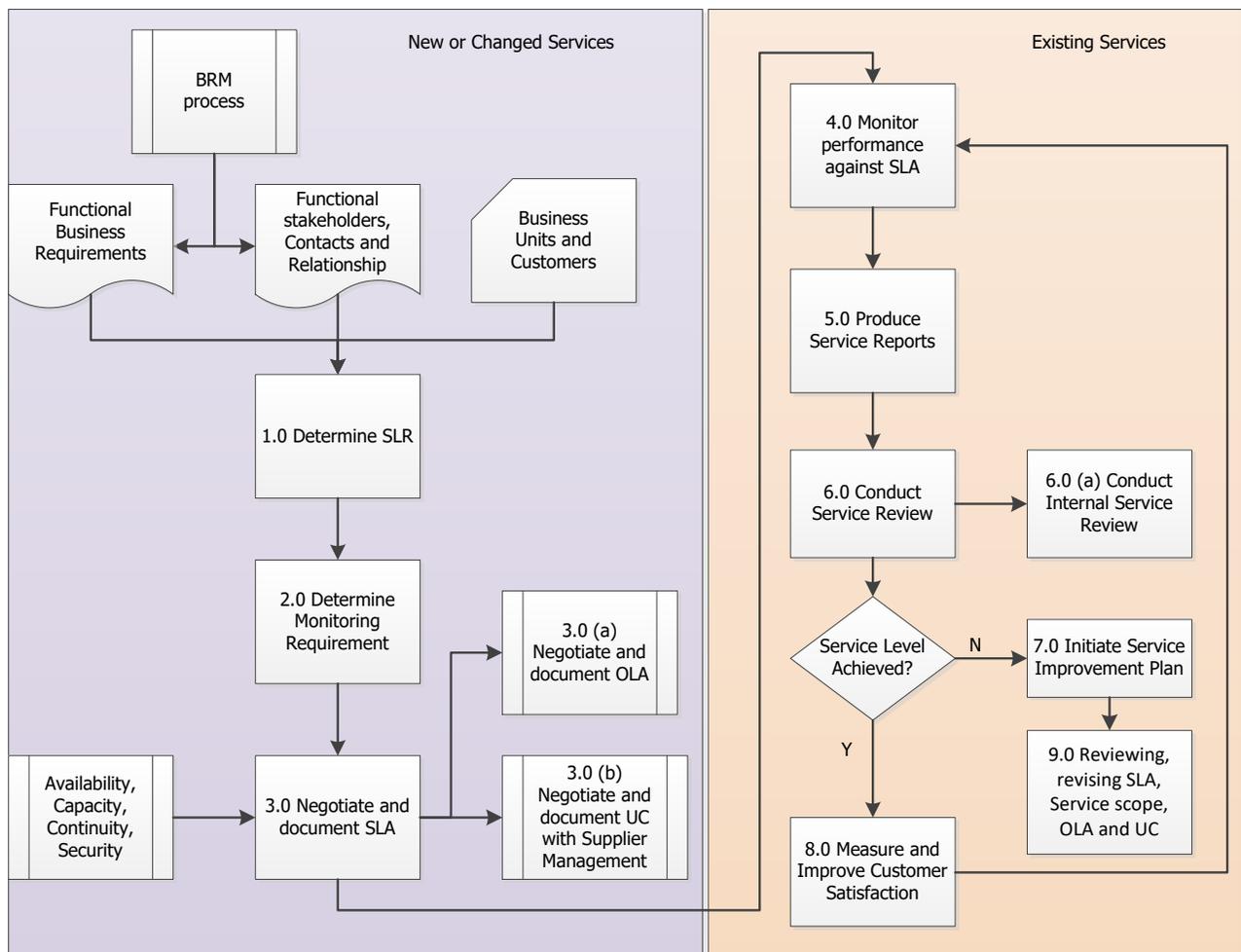


Figure 1 – High-Level Process Model

**SLM High-Level Process Activity Descriptions**

ACTIVITY	DESCRIPTION
<p><b>1.0</b> Determine SLR</p>	<p>Determining, documenting and agreeing on requirements for new services and producing SLRs is one of the earliest activities of the SLM process. SLR is a customer requirement of IT services based on business objectives and primarily relates to the warranty of services. What level of services are required by the customer for them to be able to receive the value of utility of the service?</p>
<p><b>2.0</b> Monitoring Requirements</p>	<p>Based on SLRs, SLM will need to work with Availability, Capacity, IT Service Continuity and Information Security Management to identify, agree and document the monitoring requirements.</p>
<p><b>3.0, 3.0(a), 3.0(b)</b> Negotiate and document SLA and supporting documents</p>	<p>The SLA should detail the service level targets to be achieved and specify the responsibilities of both the IT service provider and customer. SLM should interface with all those involved in service provisioning, ensuring that the targets are achievable, and both the internal supporting team and external suppliers have clear expectations of what will be required of them to support the achievement of SLA targets are agreed and documented in OLA and UC respectively.</p>
<p><b>4.0</b> Monitor Service Performance against SLA</p>	<p>The performance of service against the established SLA is to be monitored. Only the commonly agreed upon monitorable and measurable performance targets should be included in the SLA. It is essential that monitoring matches the customer’s true perception of service.</p>
<p><b>5.0</b> Produce Service reports</p>	<p>Once an SLA is in place with service performance targets documented, service and operational reporting mechanisms, intervals and formats must be defined and agreed with customers. The report should also include any trends or specific actions being undertaken to improve service quality.</p>
<p><b>6.0</b> Conduct Service Reviews</p>	<p>Review meetings must be held on a regular basis with customers (or their representatives) to review the service achievement in the last period and to preview any issues for the coming period. Attention should be focused on each breach of service level to determine exactly what</p>

	caused the loss of service and what can be done to prevent any recurrence.
<p><b>7.0</b> Initiate Service Improvement Plan</p>	<p>The constant need for improvement needs to be balanced and focused on those areas most likely to give the greatest business benefit.</p> <p>In the event of exceptions where service targets are not being met or are close to breaching, OLAs and contracts should be reviewed to see where service provider failures may be impacting the service. In some cases, this input may justify instigating a Service Improvement Program (SIP).</p> <p>For areas where the service level is not achievable, a review of the SLA should be conducted, and new targets discussed. Creating a Service Improvement Plan may necessitate working with Continual Service Improvement.</p>
<p><b>8.0</b> Measure and Improve CSAT</p>	<p>A systematic process to measure and manage customer's expectation and perception of quality of services received. This activity should include periodic questionnaires, survey, feedback, review and analysis of customer's complaints and compliments.</p>
<p><b>9.0</b> Reviewing and revising SLA, service scope, OLA and UC</p>	<p>All Service Level Management documentation, including SLAs, OLAs and contracts should be reviewed on a periodic (at least annual) basis. These documents should be governed under Change and Service Asset &amp; Configuration Management control and reviewed and updated using the activities of those processes.</p>

## SLM High-Level Roles & Responsibilities

An authority matrix (RACI) is a tool used to help understand which parties are involved in activities and their level of involvement. Because this is a **high-level** view, there are several levels of involvement.

Process Roles	SLM Process Owner	SLM Process Manager	Service level Manager	Business Relationship	Reporting Analyst	Customers
Process Activities						
<b>1.0</b> Determine Service Mevel Requirement (SLR)	A	R/C/I	R	C/I	C/I	R
<b>2.0</b> Monitoring Requirements	A	R/C/I	R	C/I	C/I	R
<b>3.0, 3.0(a), 3.0(b)</b> Negotiate and document SLA and supporting documents	A	R/C/I	R	C/I		R
<b>4.0</b> Monitor Service Performance against SLA	A	R/C/I	R	C/I	R	
<b>5.0</b> Produce Service reports	A	R/C/I	R	C/I	R	C/I
<b>6.0</b> Conduct Service Reviews	A	R/C/I	R	C/I	R	R/C/I
<b>7.0</b> Initiate Service Improvement Plan	A	R/C/I	R	C/I	C	C/I
<b>8.0</b> Measure and improve CSAT	A	R/C/I	R	C/I	R	C/I
<b>9.0</b> Review and revise SLA, service scope, OLA and UC	A	R/C/I	R	C/I	R	R/C/I

Legend:

R = Responsible: Executes the task

A = Accountable: Accountable for final result

C = Consulted: Consulted about the task to provide additional information

I = Informed: Needs to be kept up-to-date on activities/tasks

## SLM Detailed Activity

### SLM – 1.0 – Determine Service Level Requirement (SLR) and SLM – 2.0 – Determine Monitoring Requirements

Determining, documenting and agreeing on requirements for new services and producing SLRs is one of the earliest activities of SLM process. The SLR is a customer requirement of IT services which are based on business objectives and primarily relate to the warranty of services. What level of services are required by the customer for them to be able to receive the value of utility of the service?

Based on SLR, SLM will need to work with Availability, Capacity, IT Service Continuity and Information Security Management to identify, agree and document the monitoring requirements

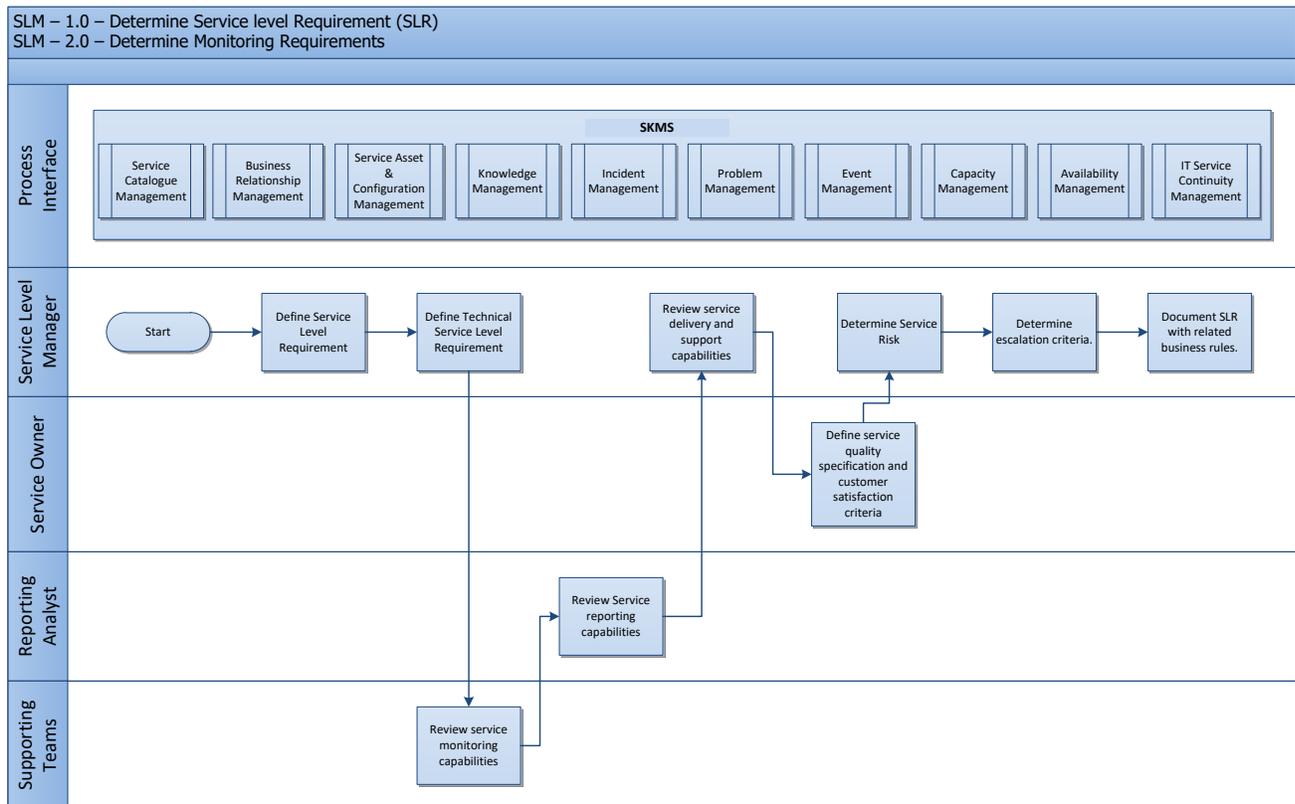


Figure 2 – SLM detailed activity – determine SLR and monitoring requirements

## SLM – 3.0 – Determine Service Level Agreements (SLA) and supporting documents (OLA, UC)

The SLA should detail the service level targets to be achieved and specify the responsibilities of both the IT service provider and customer. SLM should interface with all those involved in service provisioning, ensuring that the targets are achievable, and that both the internal supporting team and external suppliers have clear expectations of what will be required of them to support the achievement of SLA targets are agreed and documented in OLA and UC respectively.

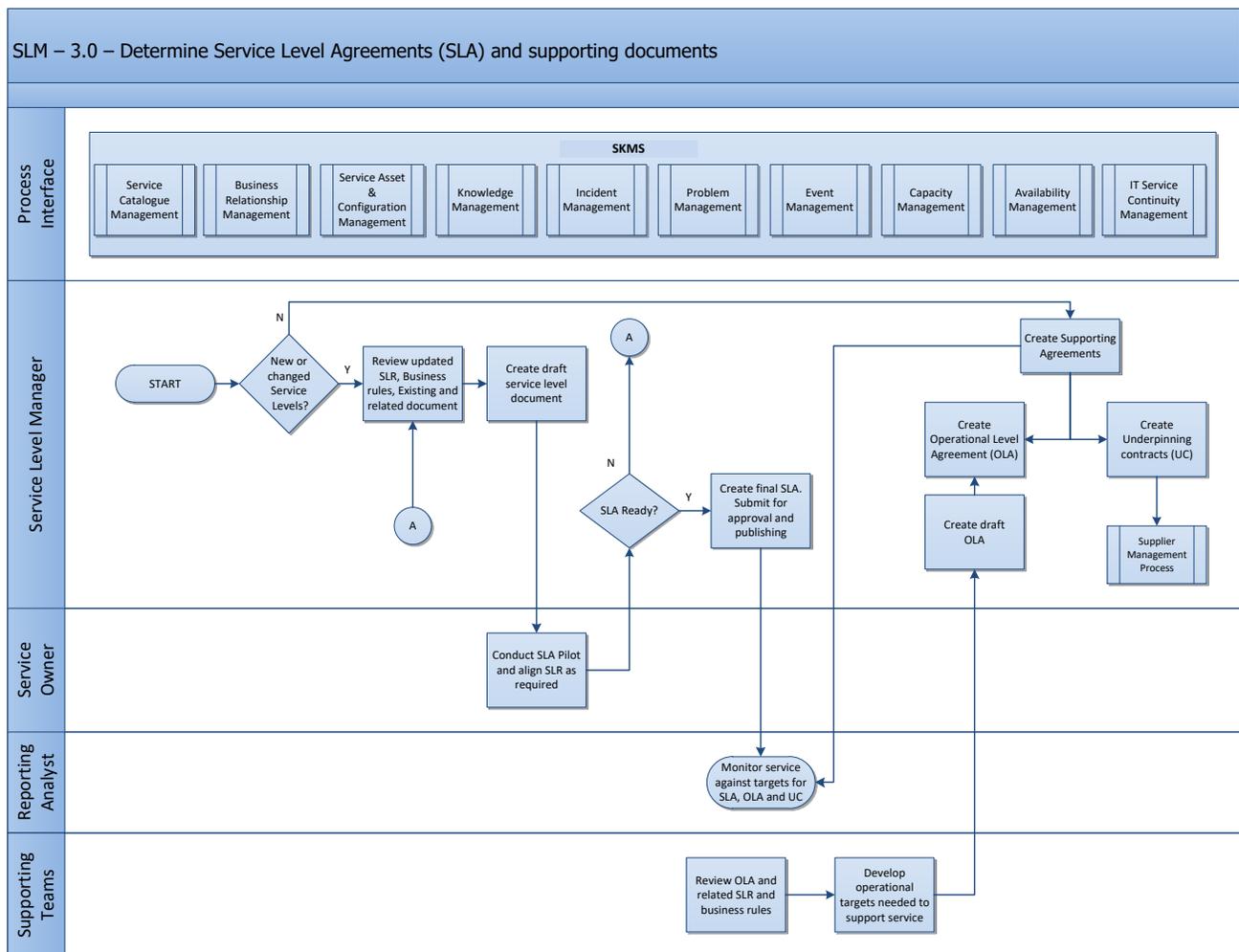


Figure 3 – SLM Detailed Activity – determine SLA and supporting documents

## **SLM – 4.0 – Monitor service performance against targets**

## **SLM – 5.0 – Produce service reports**

## **SLM – 6.0 – Conduct service reviews**

The performance of a service against the established SLA is to be monitored. Only the monitorable and measurable performance targets which are commonly agreed should be included in the SLA. It is essential that monitoring matches the customer's true perception of service.

Once an SLA is in place with service performance targets documented, service and operational reporting mechanisms, intervals and formats must be defined and agreed with customers. The report should also include any trends or specific actions being undertaken to improve service quality.

Review meetings must be held on a regular basis with customers (or their representatives) to review the service achievement in the most recent time period and to preview any issues for the coming period. Attention should be focused on each breach of service level to determine exactly what caused the loss of service and what can be done to prevent any recurrence.

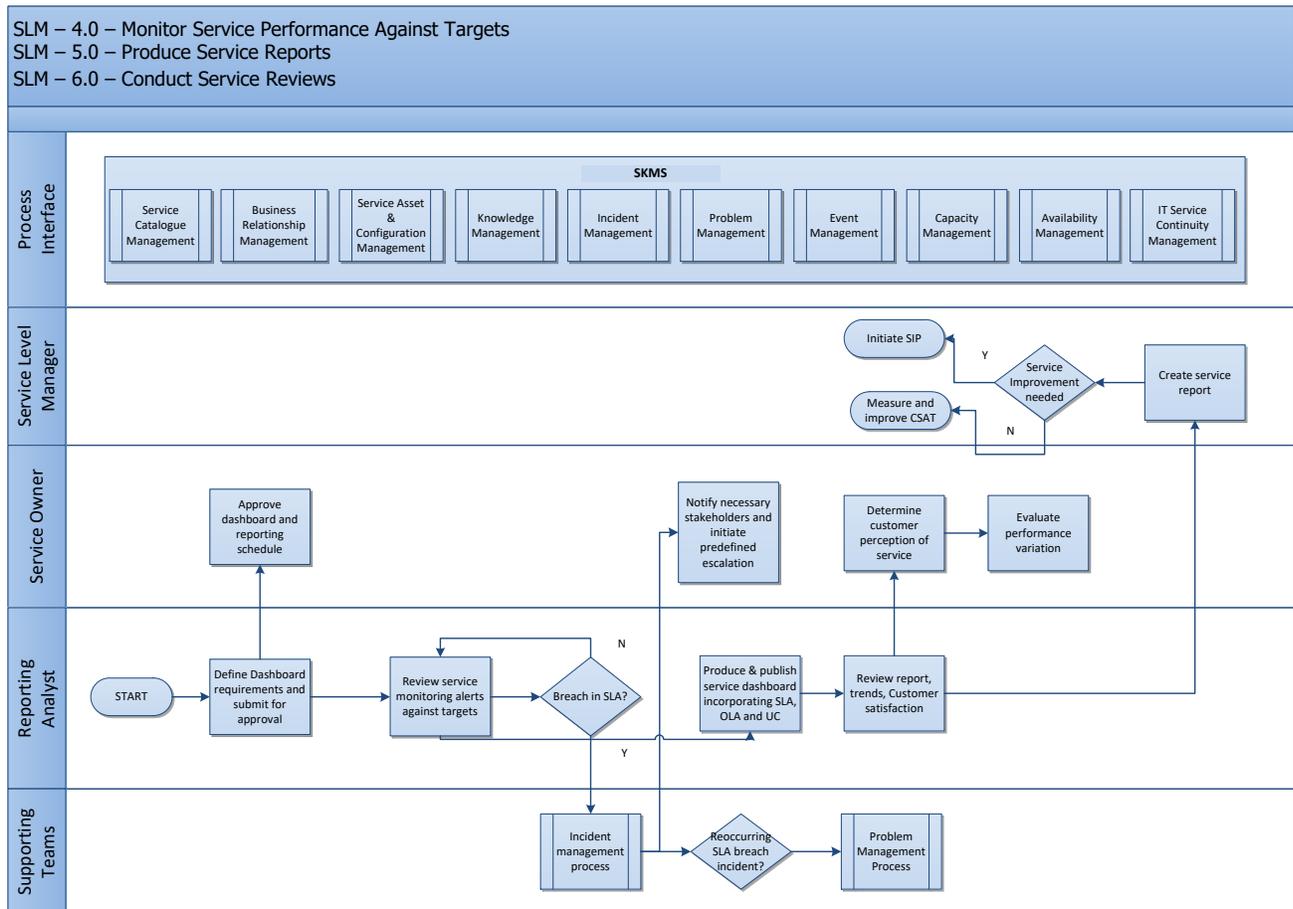


Figure 4 – SLM Detailed Activity – Monitor performance, produce reports and conduct service reviews

## SLM – 7.0 – Initiate service improvement

## SLM – 8.0 – Measure and improve customer satisfaction

The constant need for improvement needs to be balanced and focused on those areas most likely to give the greatest business benefit.

In the event of exceptions where service targets are not being met or are close to breaching, OLAs and other SLA supporting contracts should be reviewed to see where service provider failures may be impacting the service. In some cases, this input may justify instigating a Service Improvement Program (SIP).

For areas where the service level is not achievable, a review of the SLA should be conducted, and new targets discussed. Creating a Service Improvement Plan may necessitate working with Continual Service Improvement.

A systematic process to measure and manage customer's expectation and perception of quality of services received. This activity should include periodic questionnaires, survey, feedback, review and analysis of customer's complaints and compliments.

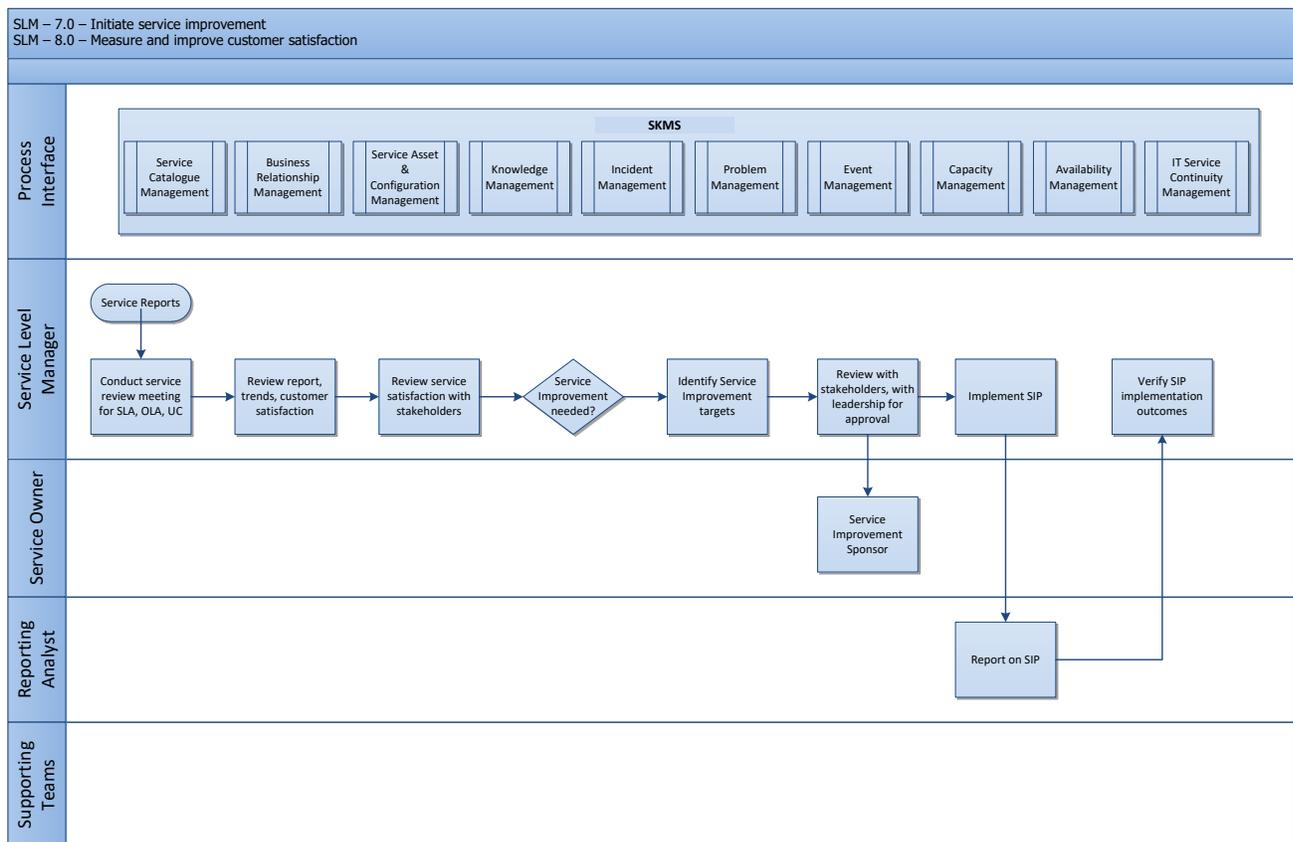


Figure 5 – SLM Detailed Activity – initiate service improvement and improve customer satisfaction

## Critical Process Interfaces

As defined in ITIL, all IT service management process interfaces are dependent on each other. The below image provides an overview of some of the critical process which interfaces and the key inputs they provide to Service Level Management process.

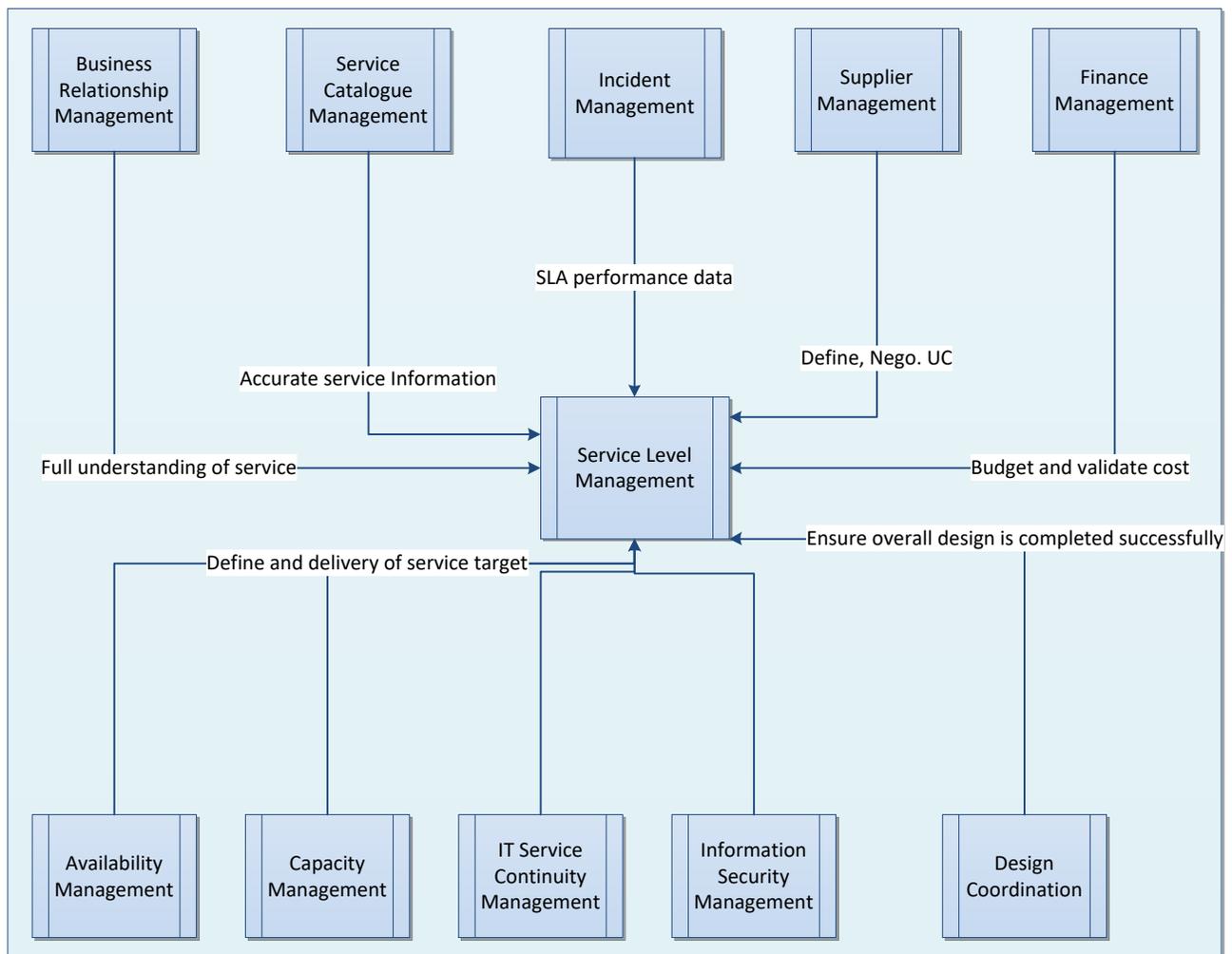


Figure 6 – SLM Detailed Activity – Critical Process Interfaces

## Glossary of Definitions as Defined by ITIL

<b>OLA and UC</b>	Operational Level Agreements (OLAs), Underpinning Contract (UCs) are underpinning agreements necessary to deliver the quality of service agreed within the SLA.
<b>Outcome</b>	The result of carrying out an activity, following a process, or delivering an IT service etc. The term is used to refer to intended as well as actual results.
<b>Process</b>	A process is a structured set of activities designed to accomplish a specific objective. A process takes one or more defined inputs and turns them into defined outputs.
<b>Role</b>	A role is a set of responsibilities, activities and authorities granted to a person or team. A role is defined in a process or function. One person or team may have multiple roles.
<b>SAC</b>	A set of criteria used to ensure that an IT service meets its functionality and quality requirements and that the IT service provider is ready to operate the new IT service when it has been deployed.
<b>Service</b>	The service itself that is being delivered to the customers and business by the service provider – for example, email, billing. A means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks.
<b>Service Management</b>	A set of specialized organizational capabilities for providing value to customers in the form of services.
<b>SLA/SLR</b>	The documents agreed with the customers that specify the level, scope and quality of service to be provided, either now for an existing service (SLAs) or in the future for a new service (SLRs).
<b>Suppliers</b>	Any external third parties necessary to provide support for any of the components required to provide the service – for example, third party organization who supply networks, hardware, software.

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## About The Author

Dinesh has over 16 years of progressive experience in the domain of IT Service Management (ITSM), delivering best practices, consulting and creating value to a diverse customer community across Asia. Dinesh's expertise in ITSM lies in leading and directing information-technology operations across broad disciplines, including hardware, software, development, testing, production support, project management, database technologies, customer satisfaction, vendor relationships, strategic planning, staff development, promoting change and improvement, and technology implementation.

Dinesh has led teams in delivering value by not only successfully implementing best practices, but also tangible process performance improvement, including quantifiable cost savings, increased productivity and efficiency. Dinesh is also an industry speaker at ITSM and related events.

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