

## ENTERPRISE OPERATIONS MANAGEMENT

# IT SERVICE DELIVERY: MODELS AND FRAMEWORKS

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## INSIDE

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**INTRODUCTION**

Ask any chief information officer (CIO) what he or she is doing to contribute to the success of the enterprise, and the CIO will respond with a list of all the strategic information technology projects currently underway. However, if one were to poll that IT executive's customers, a different line of discussion would emerge. While some customers might very well focus on the recent move to E-Commerce or the introduction of an enterprise resource planning system, most will talk with great intensity about network availability, system response time, the quality of help desk personnel, and the overall reliability of the organization's hardware and software platforms. In short, the typical corporate customer values IT as a "utility," always there, always on, and as dependable as your wristwatch. Indeed, the reader will readily discover that those IT organizations that are highly regarded by their parent institutions have earned that standing because of their attention to and success in day-to-day service delivery.

Excellence in service delivery comes to those IT teams that commit energy, resources, and focus to the seemingly mundane yet essential management components of IT performance. The purpose of this article is to provide the reader with a series of frameworks for the effective positioning and communication of service delivery management processes within an IT organization and between that organization and its customers. In addition, the author provides a series of illustrative models for day-to-day oversight and measurement of IT service delivery performance.

**THE THREE PILLARS OF IT DELIVERY**

In the simplest of terms, most IT organizations provide services in any one of three

**PAYOFF IDEA**

Service delivery is the name of the game in IT. This article offers a proven process for the modeling, construction, and implementation of customer-focused IT service levels and performance metrics.

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logical categories. First, IT solves customer problems in support of *existing* products and services. This type of service usually involves a help desk or call center, hardware and software support personnel, and training and documentation services. The objective of *problem resolution* is to address the specific performance issues of the end user as quickly and as painlessly as possible. Second, IT responds to *service requests* that call either for the *extension of existing products and services* to a new employee or the modest expansion and enhancement of an established product or service to existing employees. Here too, a help desk or call center is often employed as the intake mechanism for service request work, typically complemented by dedicated support and maintenance teams specifically assigned to customer servicing and delivery. Neither problem resolution nor service request efforts entail large capital outlays, major changes in platform technologies, or in most instances serious commitments of IT personnel. They either fix or build upon what is already there. The customer's expectation is that delivery will be immediate, or nearly so.

The third category of IT team activity — *projects* — encompasses the *significant expansion of existing* or the *introduction of new products and services*. Unlike the aforementioned categories, project work typically requires major capital outlays, a project management infrastructure, the involvement of external technology partner providers, and a long as opposed to short or immediate delivery timeframe. The three components of IT work may therefore be summarized as shown in [Exhibit 1](#).

The remainder of this article focuses on business frameworks for the first two categories of IT team activity, namely problem resolution and service request servicing. In the author's view, these clusters of activity fall under the general rubric of IT service delivery. A subsequent article will examine project management models and frameworks.

## MODELING SERVICE DELIVERY MANAGEMENT

Every type of enterprise today requires some level of IT enablement. The vendor community and at times IT leadership tend to oversell the value and understate the required investment and difficulties in bringing enabling IT to bear. In truth, enterprisewide IT deployments are complicated and resource intensive — both at the outset and in terms of ongoing maintenance and support. Indeed, once IT solutions are operationalized within an enterprise, they need to run continuously, adjusting on-the-fly to added users, new user requirements, and changes in the direction or nature of the business. Unfortunately, too much tends to be promised by the IT organization and its external partner providers and too much is assumed by the end-user community. These circumstances can lead to misunderstandings, disappointed expectations, waste, and even poor performance results.

To better align end-user expectations with IT organization capabilities, many IT executives employ *customer relationship executives* (CREs), who serve as the face, the voices, and the ears of the IT team in dealing with their business unit counterparts. And to complement this personalized approach to communication, some IT organizations also employ *service level agreements* (SLAs) to both communicate to and educate their customers on the nature and extent of the relationship between

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## EXHIBIT 1 — Three Components of IT Work

Work Category	Attributes	Typical IT Roles
Problem resolution	<p>IT issues impacting existing products and services:</p> <ul style="list-style-type: none"> <li>Need for quick fixes</li> <li>Need for user training and support</li> <li>Day-to-day overhead costs covered by existing service contracts with vendors and partner-providers</li> <li>Just-in-time training</li> <li>Documentation “cheat sheets”</li> </ul>	<p>Help desk/call center:</p> <ul style="list-style-type: none"> <li>Access/security control services</li> <li>Desktop support</li> <li>Network support</li> <li>Production services</li> <li>Systems support</li> <li>End-user training and documentation services</li> </ul>
Service requests	<ul style="list-style-type: none"> <li>Installation of new work stations or network connections</li> <li>Installation patches and upgrades to existing systems</li> <li>The implementation of desktop software</li> <li>Minor software enhancements</li> <li>Day-to-day overhead costs covered by existing service contracts and IT organization operating budgets</li> <li>Just-in-time training</li> <li>Documentation “cheat sheets” and more extensive documentation revisions</li> </ul>	<p>Help desk/call center:</p> <ul style="list-style-type: none"> <li>Desktop installation team</li> <li>Network services installation team</li> <li>Production services</li> <li>Systems development and maintenance teams</li> <li>Database administrators</li> <li>End-user training and documentation services</li> </ul>
Projects	<ul style="list-style-type: none"> <li>Major hardware upgrades</li> <li>Major software upgrades</li> <li>Installation of new hardware and software platforms</li> <li>Roll-out of major new desktop functionality</li> <li>Implementation of new application systems</li> <li>Enabling major process changes within the enterprise</li> <li>Enterprisewide user training and associated documentation</li> </ul>	<ul style="list-style-type: none"> <li>Business and IT executives</li> <li>Project directors and managers</li> <li>Technology architects</li> <li>Business analysts</li> <li>Network and server services</li> <li>Systems development teams</li> <li>End-user training and documentation services</li> <li>External information technology partners</li> </ul>

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the specific business units and IT services. Taken together, these processes need to embrace the following set of operating principles:

- *Comprehensive*: encompassing all products and services delivered by IT on behalf of the particular customer
- *Rational*: service delivery follows widely accepted standards of business and professional best practices (e.g., software development life-cycle methodologies)
- *Easily understood*: processes that are streamlined, uncomplicated, and simple, communicated to end users in nontechnical terms
- *Fair*: cost and service level standards are benchmarked against best-in-class providers or at least against the cost/value of the same products/services obtained externally
- *Easily maintained*: processes that are streamlined, largely paperless, and adjusted each year to reflect the evolving needs of the business and end users
- *Auditable*: key measures are in place and routinely employed to assess the quality of IT products, services, and processes

By employing these values in crafting the organization's SLA process and in defining and monitoring the role of the CRE, IT executives can be assured of a clearer understanding of expectations among IT service providers and their customers, as well as a continuous feedback loop leading to (it is hoped!) progressively more positive service delivery results.

The actual SLA process is easily described. First, IT management must identify its key customers, typically the senior executives of the business or operating units served by the IT organization. Second, preferably the CIO or his or her designate should visit with each executive and his or her management team. In these preliminary sessions, the CIO would outline the intentions of the IT service delivery management process, review the actual SLA form (described below), and consider an appropriate CRE for that business team. As an outcome of this effort, each business unit's leadership will have some sense of the IT service level management process; the scope, nature, and current capabilities of the IT organization; and will have had a hand in picking the IT CRE.

The CRE will then prepare a complete SLA for the review of his or her assigned business unit. To do so, the CRE will draw upon the history of that customer's prior year of work for that business unit. The CRE will also need to catalog all the products and services delivered to that business unit during the course of the year, as well as their associated costs. The reader should note that in an organization where the business unit is paying directly for IT services, accurate cost and service delivery information is essential. But in organizations where IT is funded directly by the enterprise to provide IT services, cost information may only confuse the issue. The SLA process and form should fit the particular circumstances and culture of the enterprise. Last but not least, the CRE should collect all appropriate IT service level metrics that quantify IT performance as they relate to the business unit in question. This data will be employed both in the SLA

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document and in conversations with business unit leaders to establish mutually agreeable service delivery expectations.

Once the CRE has done his or her due diligence within the IT organization to prepare the SLA, the document should be reviewed carefully while still in draft form with the CRE's business unit counterparts. After the draft has been properly vetted, the CRE will more formally present and review the SLA, which now serves as a service delivery contract, with business unit management. Again, the nature and form of this contract will vary, given the culture and internal business practices, from enterprise to enterprise. Thereafter and on a regular basis (e.g., monthly), the CRE will sit down with his or her counterparts to discuss how well the IT organization is performing against the metrics set forth in the SLA. During these discussions, the CRE will also listen for opportunities to improve or enhance existing services and for new business opportunities (e.g., product or service enhancements and projects).

Because the SLA includes actual performance metrics, these metrics will provide a quantifiable basis for assessing the quality of IT service delivery. In large IT organizations, problem ticket systems are often employed to monitor the status of both problem resolution and service requests. These systems track the history of a customer ticket from its point of entry, usually through the IT help desk or call center, to the point when it is closed (i.e., when the customer's needs have been addressed). Two performance metric standards are offered by way of the illustration as displayed in Exhibits 2 and 3. The first addresses problem resolution; the second addresses service requests.

**EXHIBIT 2 — Problem Resolution Metrics**

Severity Level	Customer Impact	Customer Response	Max. Resolution Time
Code 1: catastrophic	Global service shutdown	Within 30 minutes	ASAP
Code 2: urgent	Failure of a major enterprise system or network leg	Within 60 minutes	ASAP
Code 3: high priority	Individual or team severely impacted	Within four hours	Two business days
Code 4: important	Individual or team minimally impacted	Three business days	As scheduled

In Exhibit 2, help desk personnel rate problem tickets based on their perceived level of severity (i.e., the extent to which the customer is impacted). As this exhibit suggests, the IT organization commits to getting back to the customer within a prescribed period of time upon receipt of the problem ticket from the help desk, and also commits to resolving that ticket within a given timeframe. Each metric is based on customer input and enterprise needs, but is also based on the history of

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**EXHIBIT 3 — Service Request Metrics**

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Severity Level	Customer Impact	Customer Response	Max. Resolution Time
Code 0: VIP request*	Request is from a senior executive who needs an IT service unexpectedly and right away	Within two hours	ASAP
Code 1: urgent request	Request is time sensitive and must be completed or it will impact a large subset of the enterprise	Within four minutes	One business day
Code 2: high priority	Request is time sensitive and must be completed or it will impact an enterprise team or service	Within one business day	Two business days
Code 3: standard request	Request is for some routine service in the future	Within two business days	Five business days
Code 4: special request	Request requires specialized assistance and a considerable amount of work but is not time sensitive	Three business days notice at a minimum	As scheduled

*Note:* The reality is that from time to time IT must deliver on service requests at the eleventh hour and usually at the behest of a senior enterprise executive. Some of these requests are driven by unforeseen business opportunities or crises. Others are merely due to poor planning. Whatever the reason, will your CIO say no to the president of the enterprise in such a circumstance? The SLA might as well anticipate these events and account for them in its overall schema, just as the IT organization will need to accommodate these types of requests in their allocation of personnel and other IT resources.

past IT team performance.<sup>1</sup> These are, of course, averages; but in quantifying how well the IT organization actually performs against these metrics, the CRE has a clear and concise tool for communicating to his or her customer both the value of IT services as delivered and any actual performance issues. Similarly, IT can identify problems in its own performance and measure improvements once corrective actions are taken.

Similarly, the SLA must address the topic of service request metrics. While Exhibit 3 appears to be the same as Exhibit 2, the underlying activities and participants in each of the coded service request workflows is somewhat different than the problem resolution model.

Like the problem resolution matrix, the service request matrix prioritizes work based on the highest value to the greatest number, concluding with requests that almost verge on a project status but which IT has agreed to address through the SLA process. The key to success in either of the aforementioned measurement models is adequate discussion in advance of the roll-out of the service management model to ensure that the levels as set are acceptable to customers. Here, IT may offer a level of service based on available resources and reasonableness, allowing the business units to negotiate higher levels of service if need be (and if realistic) for increased levels of business unit contribution.

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No service level commitment will hold unless the IT service providers in question can validate their own ability to meet the service level's offer in the SLA. To that end, they will need to decompose their processes and measure process outcomes, adjusting metrics as needed (hopefully, before presenting them to the customer for approval). Even so, the final test is in the doing. Do not be surprised if the initial foray into SLA metrification requires a mid-course correction or two. Your organization's CREs will provide an essential role in managing the ongoing expectations of business unit customers and ensuring high-quality, continuous communication among all the parties in the service delivery management process.

In closing this section, the author would like to suggest that truly effective IT service organizations get that way in part due to the collaboration among their service delivery units. For example, the help desk or call center must maintain an effectual intake process. To the extent possible, customer issues should be addressed then and there, rather than passed off to another IT team. But when others beyond the help desk or call center must address the customer's need, these hand-offs should be timely and properly directed. The receiving IT team must, for its part, address customer problems and requests in keeping with the priority codes and service levels agreed to within the process. To ensure that all these activities are well coordinated, IT organizations may even rely on internal SLAs to set clear, measurable standards of performance among IT service units. The author certainly endorses this approach but it may not be realistic for enterprises in which the culture of collaboration is more informal.<sup>2</sup> Whatever form the effort takes, the IT team must agree on service levels, the timing of hand-offs, and measurement and reporting standards for all of this to work.

#### **THE SERVICE DELIVERY AGREEMENT**

The service delivery agreement (or SLA) is first and foremost a framework for discussions concerning the customer's IT service requirements and the IT organization's ability to deliver. In some enterprises, the SLA may only serve as a script, framing and organizing face-to-face discussions between IT management and its business unit counterparts. In other enterprises, the SLA constitutes a formal contract between IT and its customer. This is especially true where the business unit pays IT directly for services provided. At the very least, the SLA should offer the business unit a clear, comprehensive picture of what IT products and services it receives and the level of maintenance and support associated with each offering. The details captured in the document will reflect its anticipated use as a talking piece, a price list, or a binding business contract. Generally speaking, SLAs cover the following subject matter:

- SLA process objectives
  - Basic service terms and definitions
  - Roles and responsibilities of process participants
  - Inventory or summary listing of the hardware and software assets
  - Standard service process workflows for problem prioritization and resolution
  - Costs of services encompassed by the SLA<sup>3</sup>
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- Desired SLA process outcomes and performance metrics

Because this article has already considered the SLA process in some detail, the remainder of this section will address the remaining components of the SLA.

#### **Basic SLA Terms and Definitions**

From the outset, the SLA must make clear to the customer what services it includes and what services it excludes. The following definitions may be drawn upon in constructing a service definition model for use in the construction of customized SLA documents.

*Maintenance* is defined as any activity, performed at the discretion of IT, that invests in and preserves the value to the customer of an existing IT application and environment, including:

- *Defect correction*: correction of critical defects found in a deployed application that inhibit the enterprise from meeting its production system availability or performance requirements. Examples of defect correction activities include responding to production calls for batch systems running overnight or installing system bug fixes.
- *Retooling*: any required change related to an upgrade of an infrastructure vendor product. An example would be changes needed to support CICS, DB2, etc.
- *Asset protection*: assuring the continued operation of any production system when changes to enterprise platforms are implemented. An example would be a DB2, ColdFusion, or CICS upgrade.
- *Disaster recovery procedures*: supporting the business unit in developing its disaster recovery plan and participating in any disaster recovery testing.
- *Required by external agencies*: activities required by external and internal audit, regulatory agencies, etc. For example, the process to move and maintain applications into a formal change management environment.
- *Applied research and feasibility analysis*: As part of both SLA and project work for the business unit, IT services will conduct assessments of IT products, services, and processes to determine their appropriateness in line with business unit needs.
- *Infrastructure and related production support*: work associated with the implementation and operationalization of business system applications, especially as these activities concern themselves with Internet-enabled applications.
- *System support*: Tier 2 and 3<sup>4</sup> help desk and phone support for existing applications, including both “break/fix” support and related customer (end-user) assistance.

*Enhancement* work is defined as the day-to-day, business-as-usual activities required to satisfy customer-driven technology platform and systems application requests, including:

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- *Scheduled updates*: these include regular upgrades, big fixes, and enhancements from the external manufacturer or supplier of an application system installed on behalf of the customer's business.
  - *Problem management*: the process of identifying, investigating, resolving, and preventing events and conditions that interrupt the user's ability to perform his or her job function.
  - *Change management*: the process of knowing, controlling and planning the configuration, organization, implementation, and operation of products and services. As a common practice, such changes would typically reach production through regularly scheduled releases of bundled upgrades and enhancements.
  - *Enhancements*: defined customer requested improvements or expansions to an existing application's business features or functions. The request does not have a mandated start and end date, and often falls below the priority of a development project request. The criteria for classifying a request as an enhancement is as follows:
    - The request has no significant external dependencies (i.e., no Web of commitment outside of IT and the business unit in question).
    - The request does not exceed an estimated \$100,000 in total (or whatever clip rate is set by the IT organization).

In reviewing these definitions with the customer, the CRE establishes a common vocabulary for describing and requesting IT services. The boundaries and rules of engagement placed around each service component set the expectations. Typically, maintenance service definitions are no problem and the grayness of what constitutes an "enhancement" and what constitutes a "project" is sorted out over time and through mutual agreement.

#### **Roles and Responsibilities of Process Participants**

Service delivery management process participants will vary from enterprise to enterprise. Here is a list of the more typical roles and their descriptions:

- *Sponsor*: the executive leader of the business unit who ultimately approves the funding for the business unit's IT work under the SLA.
  - *Working client*: those business unit managers who work alongside their IT services counterparts to define, develop, and deliver IT products and services to the business unit.
  - *Customer relationship executive (CRE)*: the IT executive ultimately responsible for the satisfactory delivery of the IT commitments consolidated under the service level agreement.
  - *IT finance*: IT service's controller will provide information during the SLA preparation process and will review and approve all SLAs from a financial perspective to ensure that they align with the IT organization's overall commitment to the enterprise.
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- *IT project and service team leaders*: parties directly responsible for the delivery of products and services to working clients will coordinate the efforts of their respective teams and will maintain ongoing communications with the working clients as required to ensure the quality of IT deliverables.
  - *Project office*<sup>6</sup>: as need be, the Project Office will assist CREs in framing their SLAs and product or service teams in the development of their respective project plans.
  - *Enterprise corporate management*: together, these individuals will ensure that as part of the annual planning and IT funding approval processes, they review and approve the overall IT SLA process framework and its associated resource allocation model.

Even if the business unit accepts the role definitions cited about, your partners may not appreciate their responsibilities as part of an SLA. Indeed, all too often business unit leaders look upon the SLA as a list of things that IT must do for them rather than as a mutually obligating agreement. The author therefore recommends the inclusion within the SLA itself of an explicit list of business unit responsibilities. The CRE needs to review these “working assumptions” with the business unit team as part of the initial SLA review, and if and when any of these business unit commitments becomes an issue. Here is an illustrative list of what the business unit sponsors and working clients might commit to as part of the SLA process:

- Operating within the information technology funding allocations and funding process as defined by the enterprise’s governance, planning, and budgeting processes
  - Working in close collaboration with their designated IT customer relationship executive to initially frame this SLA and to manage within its constraints once approved as part of the budget for the fiscal year
  - Collaborating throughout the life cycle of the project/process to ensure the ongoing clarity and delivery of business value in the outcomes of the IT effort, including direct participation in and ownership of the quality assurance acceptance process
  - Reviewing, understanding, and contributing to systems documentation, including project plans and training materials, as well as any IT project or service team communications, such as release memos
  - Throughout the life cycle of the process, evaluating and ultimately authorizing business applications to go into production
  - Distributing pertinent information to all associates within the business unit who utilize the products and services addressed in this SLA
  - Ensuring that business unit hardware and associated operating software meet or exceed the enterprise’s minimum hardware and software standards
  - Reporting problems using the problem reporting procedure detailed in this service level agreement, including a clear description of the problem
  - Providing input on the quality and timeliness of service
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- Prioritizing work covered under this service agreement and providing any ongoing prioritization needed as additional business requirements arise
  - Employing the enterprise's IT standards and architectures whenever possible and recognizing the total cost of ownership (TCO) implications of failing to observe these standards

As the reader can appreciate, by winning the customer's acceptance of these ground rules, the SLA process will have succeeded in creating a work environment that fosters effective collaboration and, ultimately, the successful delivery of IT services.

#### **Representing IT Assets and Costs**

The SLA should subdivide all IT products, services, and their associated costs into two groupings: maintenance and enhancements. Within these two categories, the document can also differentiate between vendor-based and internal products, services, and costs. When in doubt, consult with your customer as to how he or she would like to see this information presented. All related costs (e.g., asset protection, default correction) should be grouped together for ease of customer communications and understanding. For each business application serviced through the SLA, there will be associated labor (internal and external/contract), consulting, software, and hardware costs. While a portion of these costs are generated through the consumption of internal labor resources, others may be incurred through third parties in any number of ways:

- IT product vendor costs may encompass all charges related to licensing or purchasing hardware and software, as well as contract labor (time and materials) or consulting (fixed-price) costs for product implementation or subsequent servicing.
- To ensure that the best and most appropriate resources are deployed to meet business unit requirements, IT may regularly employ external contract labor, billed on a time and materials basis, to complement in-house/internal staffing resources.
- Where we lack a strong internal task/talent match in undertaking certain types of IT work or when there is a need to ramp up an effort quickly or when IT has lost a key internal expert, IT will regularly employ external professionals in specialized areas on a consulting basis, typically billed to the customer on a fixed-price contract basis.

A simple maintenance cost matrix template (shown in [Exhibit 4](#)) should suffice in capturing and communicating this detail to the customer.

Enhancement costs are distinct from those of maintenance in that they are largely discretionary. Typically, the IT organization will negotiate an allowance for business unit enhancement work. Enhancements are defined customer requested changes to existing applications. Typically, the request does not have a mandated

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**EXHIBIT 4 — Maintenance Cost Matrix**

<b>Business Application</b>	<b>Labor Costs</b>	<b>Consulting Costs</b>	<b>Software Costs</b>	<b>Hardware Costs</b>	<b>Total Cost</b>
Enter the name of the appropriate business application	Enter both internal and external labor costs	Enter associated consulting costs	Enter application-specific software costs	Enter application-specific hardware costs	Add columns 2–4 together

**EXHIBIT 5 — Enhancement Cost Matrix**

<b>Business Application</b>	<b>Labor Costs</b>	<b>Consulting Costs</b>	<b>Software Costs</b>	<b>Hardware Costs</b>	<b>Total Cost</b>
Enter the name of the appropriate business application	Enter both internal and external labor costs	Enter associated consulting costs	Enter application-specific software costs	Enter application-specific hardware costs	Add columns 2–4 together

start and end date, and often falls below the priority of project requests. An example of the criteria for classifying a request as an enhancement is as follows: (1) the request has no significant external dependencies and (2) is below a certain clip rate, such as \$10,000 per instance. Although it merits its own section in which tasks and costs will be recorded, the enhancement cost matrix (see [Exhibit 5](#)) is otherwise identical to the maintenance cost matrix.

The one word of caution to be offered here is take your time and be accurate. Nothing destroys trust within an SLA negotiation more quickly than misrepresenting or failing to have a solid understanding of the underlying costs of the services governed by the agreement. Last but not least, be sure to explicitly state those services excluded from the scope of the SLA, in particular large-scale enhancement efforts that are estimated to exceed the SLA clip rate. These should be treated as separate IT projects.

### **Service Delivery Work Flows**

As a convenience to the customer and as another expectation setter, many SLAs will identify the names, roles, and even phone numbers of appropriate IT support personnel. The document might also include standard hours of operation and coverage for IT services, such as network operations, system support, the help desk, etc. Sometimes, it may prove useful to include the schedule for production services report runs and system refreshes. All of this information must be stated in nontechnical language, briefly and succinctly. Where practicable, tailor the presentation to the needs of the particular business unit.

Finally, the SLA should include the service level metrics discussed previously in this article. This information makes it clear to the business unit that IT will respond and address their needs based on business-driven priorities, and that all customers will be treated in the same rational manner (except VIPs of course). You may also decide to include the actual workflow for problem resolution, and clarify roles and responsibilities as well as the anticipated timing of deliverables. A simple example of this approach follows.

### **Priority 1**

- *Definition.* The Application is unavailable to anyone at an enterprise work site.
- *Response time.* Work will begin immediately and continue until resolved.
- *Responsibilities:*
  - *IT customer relationship executive:* resolves problem and communicates to all who are affected at least daily until resolved.
  - *Working client:* works alongside CRE until the matter is resolved.
  - *Partner-providers:* other IT teams and third parties, as appropriate, will provide technical assistance.

### **Priority 2**

- *Definition:* application is not available for individual users within a site.

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- *Response time.* a response will be provided within one business day; a recommended solution will be provided within three business days if there are *no* outstanding priority 1's; finding a solution to a priority 2 problem will not begin until all priority 1 problems that impact the priority 2 issue's resolution have been resolved.
  - Responsibilities:
    - *IT customer relationship executive.* sends acknowledgment of problem; resolves problem and communicates status to all affected.
    - *Working client.* works alongside CRE until the matter is resolved.
    - *Partner-providers.* other IT teams and third parties, as appropriate, will provide technical assistance.

### Priority 3

- *Definition.* the application generates appropriate results but does not operate optimally.
- *Response time.* improvements addressed as part of the next scheduled release.
- Responsibilities:
  - *IT customer relationship executive.* communicates needed changes.
  - *Other process participants.* commit to work as part of the regular system upgrade cycle.

### CLOSING COMMENTS

This concludes the author's overview of IT service delivery management. The critical success factors associated with this complex set of processes can be summarized as follows:

- A common agreement among all participants as to roles, responsibilities, and principles of operation
- Clear, well-communicated rules of the road, workflows, and metrics
- Ongoing process measurement and improvement
- Regular reporting through both informal and formal communication venues
- Proactive listening on the part of the CRE
- Collaboration all around and attention to the details

By adapting the frameworks and models presented in this article, the IT organization can excel at routine service delivery. In so doing, the IT organization will earn the credibility and support that it must have to win approval for the further investment of the enterprise in IT platforms and systems. When IT takes care of the day-to-day and effectively manages customer expectations, the business community will grow more tolerant of the frustrations and high costs associated with the implementation of any large-scale, complex IT scenario. At the very least, customers will come to better appreciate the value of existing IT services and the necessity of partnering to enable the success of such efforts. To that end, this article can

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be employed as the reader's checklist for creating and maintaining a healthy SLA process. Feel free to draw or elaborate on the author's examples as they apply to your own workplace.

### Notes

1. Your organization's problem ticket system will more often than not provide reports that may serve as the basis for setting performance levels. In the spirit of continuous improvement, the author recommends that you choose a level of performance measure somewhere above the mean. Whatever level you choose, it must align with the IT resources devoted to delivery. Otherwise, your SLA process is bound to disappoint your customers.
2. Some IT executives worry that in establishing internal service level agreements, they are providing their people with an excuse to perform only at the levels set in the agreement or that service personnel will hide behind an internal SLA when services fail. From the author's point of view, these concerns can be addressed as part of the process, but it will not be easy. The IT management team must first create an environment in which collaboration is rewarded and performance measurement is viewed as an essential tool for continuous process improvement. While this is in and of itself a challenging undertaking, the rewards from a successful application of the principles embodied in this process are great.
3. The costs documented in the SLA may include both nondiscretionary IT costs, such as vendor-based software licensing and maintenance fees, as well as the discretionary costs associated with system and Web site enhancements. As a business practice, each business unit is SLA funding level may be set to meet all nondiscretionary cost requirements. Discretionary expenditure funding may then be allocated based on past activity and anticipated needs. The total enterprise IT investment in these cost categories and the distribution of the associated funds across business units would typically be set by the enterprise's planning and governance process as part of annual budget planning. For enterprises that fund the IT organization directly, cost information can actually be replaced with merely a list of the assets covered or perhaps a list of the IT personnel dedicated to that customer's service issues.
4. In typical IT parlance, Tier 1 support refers to help desk or call center intake support. Tier 2 support refers to work done by the internal IT support unit responsible for that product or service. Tier 3 support refers to a service need that typically exceeds in-house expertise and thus involves both the internal IT service unit and an external technology partner provider in addressing the customer need.
5. Some IT organizations maintain a center of excellence in project and service delivery management, such as a *Project Office*, that maintains project plans, SLA contracts, process templates, etc.

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