

The Effect of Sound Relationships on SLA's

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INTRODUCTION

End users have expectations regarding services and *support*, and the quality thereof, provided by the supplier. They compare their expectations to the received service to assess the service quality (Coye, 2004).

In order to ensure that the service supplied by the service provider meets the expectations of end users, a successful *service level agreement (SLA)* is required. Quality *SLA's* clearly define, amongst many other elements, the commitments and responsibilities of the IT service provider and end users within the *service delivery* processes (Larson, 1998). One method of measuring the success of *SLA's* is by using service metrics with regard to the availability, reliability, serviceability, response, and user satisfaction of the *SLA* (Larson, 1998). Therefore, the success of the *SLA* depends on a clear, common understanding of the services and service quality between the service provider and end users. Furthermore *commitment*, trust, and cooperation between all parties is necessary to achieve success with *SLA's* (Hiles, 1994). However, in this paper it is argued that all these soft issues can only form a basis when sound relationships are established and maintained between the IT service provider and end users (Leonard, 2002).

This paper aims to determine how the establishment of a sound *IT-end user* relationship can add value to the *SLA* for both the IT service provider and the end users, and increase the success of *SLA's*.

PROBLEM BACKGROUND AND RESEARCH APPROACH

According to Parish (1997), the benefit of an *SLA* is that the identification of accountability in the service delivery process can be determined more easily, even when more than one service provider is involved in the process. Therefore, *commitment* from service providers and end users in the service delivery process can be determined. Secondly, the *SLA* will promote a focus on the quality of service required by *end users* to support their business needs. Thirdly, it will enable the service provider to clearly identify the key service needs of the end user organization to ensure that the business operations of the end user organization are operating at optimal level. Finally, a successful *SLA* will enable the

service provider and the end users to implement correct service metrics to monitor the quality of service, which will enable them to perceive any service problems in advance and implement contingent plans. According to Lehr and McKnight (2002) the service metrics can be described as the commitments from the IT service provider to guarantee the quality of service delivered to end users at the agreed service level stated in the *SLA*.

According to Hiles (1994), the reasons for unsuccessful *SLA's* are insufficient service definition, poor measurement of service quality, inconveniently large documentation of *SLA's*, a lack of mutual understanding and, most commonly, a lack of commitment from the *end users*.

According to Leonard (2002), *commitment* and mutual understanding form, amongst other *soft issues*, the basis of any sound relationship between end users and IT professionals. Leonard (2002) states that an *IT-end user relationship* consists of physical and abstract elements which impact on the soundness of the *IT-end user relationship*. It is, therefore, argued that the elements of the abstract dimension of a sound *IT-end user relationship* contribute to the successfulness of the *SLA*. The most important elements that play a role in this regard, are a supportive culture, commitment, and cooperation (Leonard 2002). On the contrary, it is argued that a lack of commitment from *end users* and IT service providers will result in a poorly drafted *SLA* due to an unclear service definition and a lack of proper service quality metrics. Pratt (2003) has indicated that poorly drafted service elements in the *SLA* will create a poor picture of the services provided by the service provider from the point of view of the end users, resulting in an unsuccessful *SLA*.

An interpretive research approach was followed, taking into consideration the important principles for interpretive research as stated by Klein & Myers (1995) and Sahay et al. (1994). Apart from doing a theoretical study of the field, employees of about 15 different companies were approached to respond to a number of questions. The feedback on these questions, and the theory of *IT-end user relationships* and *SLA's* serve as basis for the arguments followed in this paper.

The next section starts with a discussion on service level agreements, followed by a brief discussion of the theory of *IT-end user relationships*. The paper concludes with a proposed conceptual framework showing how sound relationships enhance the worthiness of *SLA's*.

THE ESTABLISHMENT OF SLA'S

According to Larson (1998), a *service level agreement (SLA)* is a formal contract between the IT service provider and the business unit within an organization. The SLA provides a common understanding of the quality of service that the IT service provider will provide. It also helps create reasonable expectations amongst end users at a specific business unit. Apart from defining the standard of service quality and setting customer expectations, the SLA outlines the role of the *end users* and the role of the service provider. Therefore, an SLA will enable the end users to be fully aware of the *service delivery* capabilities and limitations of the service provider, while the service provider will understand the expectation and IT service needs of the end users. This common understanding about the service delivery between the IT service provider and end users is an important component for establishing a successful IT service provider-end user relationship as indicated by Smith (1996).

Once there are common interests and mutual understandings between the end users and IT service provider, it will enable the IT service provider to include the services and quality of service needed by end users in the draft SLA. According to Pratt (2003), the SLA will only be of value if the IT service provider has a clear understanding of the end user organization's core business operations and business needs.

Tonks and Flanagan (1994) state that the *SLA* should focus on adding value to the *service delivery* process for the service provider and the end users. Therefore, it should not be regarded as a contract to penalize the service provider should he/she fail to deliver the service. Instead, it should be used as a condition to set the desired service required from the service provider and how the quality of service will be measured and reported to the end users.

DEFINING AN IT-END USER RELATIONSHIP

According to Leonard (2002) an *IT-end user relationship* consists of two dimensions, namely, a *physical dimension* and an *abstract dimension*. The physical dimension describes those elements required to enable contact between IT and its end users, whereas the abstract dimension describes the *soft issues* (such as trust, commitment) of a relationship. These two dimensions enable one to fully describe the holistic nature of such a relationship and encapsulate the important elements of a *support-oriented* organization, namely mutuality, belonging, and connection, as mentioned by Pheysey (1993) in her book *Organizational Cultures*.

HOW THE ELEMENTS OF THE PHYSICAL AND ABSTRACT ELEMENTS IMPACT ON THE PROCESSES OF SLA CONSTRUCTION AND USE

In this section a brief description is given of the elements of both the *physical* and *abstract* dimensions which have the most significant impact on the worthiness of SLA's. In this regard, research has indicated that *people, technology, and procedures* are the most important elements from the physical dimension, whilst *knowledge base, supportive culture, commitment, cooperation, and holistic nature* are the most important elements from the abstract dimension.

Elements of the Physical Dimension

According to Leonard (2002) a sound *IT-end user relationship* consists of all the responsible people involved at a given time. "Responsibilities are negotiated and shared..." (Referring to the work of Dahlbom and Mathiasen (1993)). In terms of the *people* element, it follows that sound relationships will have a positive impact on the development of an *SLA*. Furthermore, the parties involved communicate through communication technology (e.g., video conferencing technology, helpdesk) as indicated by Leonard (2002). This communication technology also enables the IT service provider and end users to communicate with each other during the development and implementation of the *SLA*, which should have a positive impact on the development process of an *SLA*. Finally, communication technology will improve the response performance of the *SLA* as the IT service provider can attend to requests from end users and reply back to them with lesser turn-around time (Larson 1998).

The development of an *SLA* will be affected by existing policies and procedures. On the other hand, a new *SLA* can also introduce new policies and standards into the end user company. Therefore, any procedures (which form part of the physical dimension of an *IT-end user relationship*) will ensure that the implementation of the *SLA* does not compromise the business operations of the end user organization.

Elements of the Abstract Dimension

The impact of a sound *IT-end user relationship* will enable end users to have a highly affective *commitment* with the service provider. End users who have such commitment are less likely to switch to a new service provider (Mattila, 2004). Therefore, there is a large possibility that the end users will continue using the service of the current service provider or develop new *SLA's* with them instead of searching for a new provider in case of poor services or support.

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