

A New Look At Service Level Agreements

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Abstract

In many areas, the traditional Service Level Agreement consists solely of the performance measurement of operations. These usually take the form of an artificial metric, often based on those traditional library statistics, that can be easily gathered. While such targets may have a value in improving performance, few of them actually assess the services value in relation to the overall success of the organisation. In the Defence Science & Technology Laboratory, an agency of the UK's Ministry of Defence, a way was sought to define metrics that measured not only operational performance, but also business support performance. To what extent were our services meeting the needs of the organisation's own business objectives?

Introduction

The Defence Science & Technology Laboratory (Dstl) is a new agency of the UK's Ministry of Defence (MoD), following a decision by the Government to partially privatise the Defence Evaluation and Research Agency (DERA). Three quarters of DERA became a private company currently wholly owned by the MoD - QinetiQ. The remainder was formed into Dstl, and consists of those parts of DERA whose functions were not deemed suitable for privatisation, or which have been retained to provide impartial authoritative advice to the Government.

This is the culmination of ten years of reorganisation of the UK's defence research capability, starting from the creation of the Defence Research Agency in 1991, and its expansion to include all Test and Evaluation establishments in 1994 to form DERA. During that period, library services, business information, information analysis, report repository, records management and intranet and Internet web management were all brought together into a single department, Information Resources (IR). Prior to the recent privatisation, IR was separated into two, with the bulk of the department, consisting of twelve dispersed libraries and most of the web team remaining with

QinetiQ, while one library, the reports repository, the information analysis team and records management formed the core of a new department, Knowledge Services, in Dstl.

Knowledge Services has only one site-based library, serving some 750 Dstl staff. The remaining 2,250 Dstl staff are dispersed over fourteen other major sites without significant Knowledge Services support, although some of these are fortunate enough to still have a local QinetiQ IR library that can supply many of their needs and requirements. Dstl is now a customer for services from QinetiQ IR, and it is in this light that we in Knowledge Services require a means of measuring the service that we pay for. But where we are now is merely a part of the journey we have undertaken over the last four years.

From Customer Service Targets to SLAs

Our trek started in 1997 at the Second Northumbria International Conference on Performance Measurement in Libraries and Information Services where we discussed, with many like-minded attendees, Service Level Agreements and associated topics. We had been aware of our lack of adequate performance measurement data, and although we had received ISO 9001 accreditation the previous year and introduced several quality improvement measures, we were not satisfied with what we had achieved. Over the previous four years we had merged some seventeen separate libraries, introduced centralised contracts, a shared and networked catalogue, and a range of other co-ordination projects.

We already had a series of crude Customer Staff Targets, which our investigations showed many other libraries using as Service Level Agreements between themselves and their customers, corporate or otherwise. The terms seemed to be synonymous in many people's minds. We had a deep look at what other UK Government libraries were doing, and read what we could find on SLAs, but much of what we did find was unsatisfactory.

As an example, here is an extract from our CSTs at the time:

- Enquiries
 - Urgent: 95% within 4 hours, 100% within 1 WD
 - Where deadline given by customer: 90% within deadline
 - Others: 90% within 2 WD
 - 100% within 3 WD
- Journal Circulation
 - 95% of journals received by 1 pm will be circulated on day of receipt
 - 100% will be circulated within 1.5 WD

Take, for example, the second target under “Enquiries”: 90% of enquiries to be satisfied within the customer’s agreed deadline. There is no quality control about the accuracy of the answer. You can answer the enquiry totally incorrectly or unsatisfactorily, but as long as an answer has been given, the target has been met. And what about the 10% of responses that haven’t even been met within the deadline? That can represent 10% of our customers who have been given a very poor service and who might not use us again.

The original intention was to tighten these targets as each of our formerly independent libraries got up to speed. 90% would be increased to 93%, to 95%, and so on, as our departmental ethos of providing better services than some had been supplying in the past became ingrained. Frankly, we were naïve. Some of the library staff involved saw such targets as merely to be met, not to be bettered. If 90% had to be answered within two working days, then they wouldn’t be answered until the target required them to be, almost regardless of whether they could have been answered earlier. This attitude was not general, but it did exist. Most of our staff had the right ethos, and we had considerable criticism from some of them that we were setting far too easy targets!

We had other quality and continuous improvement targets and processes operating at the same time, and between 1998 and 1999 several major exercises were carried out, including our IMPACT survey, reported on at the Third Northumbria International Conference on Performance Measurement in Libraries and Information Services. Basic management statistics collection was improved; performance measurement metrics were assessed for relevance, and data collection methods instituted to supply the datasets we needed. Our greatest shortfall lay in that our enquiries recording was largely in paper form, and the lack of a proper enquiries database was sorely felt. We had investigated

the creation or acquisition of such a system several times over the previous years, but the cost and complexity were beyond our resources.

Consultants

As a corporate resource, IR answered to the Chief Information Officer (CIO), a member of the DERA Executive, who also held the role of Corporate Customer. He was formally presented in the summer of 1998 with our unsatisfactory draft SLA for approval, together with detailed plans for the IMPACT survey and a SERVQUAL survey. His approval was not immediately forthcoming, and at his request the SERVQUAL survey was put on hold. In the spring of 1999 he informed us of his intention of bringing in a team of outside consultants, TBI (Europe), to report on the situation.

TBI carried out an appraisal of the services we offered, and held a series of interviews with a small number of our staff and customers at two of our sites between September and October of 1999. They presented the CIO with their final report in that month. There was much in their report that we could agree with wholeheartedly, but some with which we disagreed. What we did find novel and interesting was their clarification and codification of our departmental goals, their description of how these linked to both our departmental and DERA’s business objectives, and then their identification of those critical success factors which affect these goals. We were able to discuss the report with the CIO and TBI in January 2000, by which time certain of their recommendations had already been initiated.

Probably the most important advantage in using the services of consultants lies in the fact that their approach is not cluttered by the baggage of the past. An outsider’s view is often clearer than your own.

Simplified, their major conclusions were:

- The lack of an electronic requests/enquiries database prevented the collection and analysis of performance data, which in turn hampered performance improvement;
- We were not measuring customer satisfaction, except in a haphazard manner;
- We should set internal and external best practice benchmarks;
- We needed to measure market penetration, to find out who was not using us and why;
- We needed to institute regular review meetings with the Corporate Customer.

These were agreed with the CIO, and a proposed way ahead put into motion.

The Critical Success Factors TBI identified stand in good stead for almost all organisations, but helped us concentrate our minds on the important things both for us and for our organisation.

1. *Information provided by IR will be consistently and readily available throughout the DERA organisation.*
2. *There will be effective high level understanding and promotion of IR services through a regular communications programme to all potential customers.*
3. *Charging mechanisms will be implemented which not only support DERA objectives but also encourage appropriate customer behaviour.*
4. *IR will deploy appropriate human and technology resources, both in terms of quantity and quality, in order to meet DERA performance requirements.*
5. *IR services will provide demonstrable value for money and be competitive when compared with external benchmarks.*
6. *IR will manage customer expectations of services which are dependent on third party suppliers and manage improvements in third party performance.*

Getting Better Management Data

The impetus of the consultants' introduction by the CIO had led us to review those faults which we were aware of, even prior to the review meeting. Priority was given to the requests/enquiries database, the responsibility for which was handed to our Web Team.

The database as developed is linked to an automatic customer survey module. When records of requests or enquiries are annotated as completed, the survey module automatically generates a delayed e-mail request containing an embedded hotlink to a networked questionnaire. The module specifies links to the original request and to the type of service which has been provided, and varies the questions asked to suit that service.

The important generic questions regarding customer satisfaction are very limited in number. There are others which you may think relevant in your circumstances – one colleague has suggested that “Presentation” would be relevant in his case – but these seem to cover most eventualities for us. They are:

- Accuracy – was what you got what you specified?
- Awareness – did the staff know what you wanted?
- Charges – did you get value for money?

- False Drops/Relevance – how relevant was what you wanted for your purposes?
- Timeliness – did you get it when you specified?

Not all questions are relevant to each service; those used for the generic service “Literature searches” are rephrased by the survey module as follows:

Accuracy: “To what extent did the search results provide the material you specified?”

Awareness: “Did the IR staff involved understand your requirements?”

Charges: “How do you rate the cost of the search?”

False Drops: “Any search will produce irrelevant references of little or no interest, known as ‘false drops’. How do you rate the level of false drops in this search?”

Timeliness: “Was the search provided within the time scale agreed by you?”

The results can then be used to trigger “quality control” issues, identify weaknesses and training needs, and provide the information needed by management for continuous improvement. The system automatically flags the incidence of customer dissatisfaction, which must then be resolved. It is no good satisfying 90% of our customers. We must identify and validate reasons for dissatisfaction and correct their causes.

With the database providing us with a level of performance and management information that we could never have dreamed of before, and linked to a customer satisfaction module that requires very little effort on our part, our situation should have been simple. In fact the database, survey module, and our whole organisation were to be dramatically affected by events over which we had no control.

The World Turned Upside Down

Two months after the review meeting with the CIO, plans were announced by the Government to divide DERA into two organisations. What had taken us such a long time, and a great deal of effort, to bring together would now have to be untangled. Not surprisingly, priorities for implementing a comprehensive SLA for a department that would soon be split were not high, compared with everything else that was going on. In addition, contract staff developing the database left suddenly, and much of what they had done – we had even been in a position to demonstrate a prototype system to some staff – was found to require re-working from scratch. Over twelve months later, both organisations are now only just trying out a revised prototype system.

Dstl Knowledge Services and QinetiQ IR's requirements for the system and approach we developed are unchanged. We need, possibly more than ever, this new

resource to provide a level of management, customer satisfaction and performance quality data to create a measurable SLA with our respective Corporate Customers, but IR must also now deal with Knowledge Services as a major customer of services. A significant advantage for both of us using the same system lies in benchmarking our services.

At this stage we have not yet settled on more than a skeleton SLA between IR and Knowledge Services. Fine detail will only be introduced when we have built up a large enough databank to define what the current performance actually is. It is of no value to set metrics which are too easy; equally it is of no value to set unrealistic metrics which cannot be met, even by Super Librarian! But even these metrics will be pointless unless there is built into the system a mechanism for identifying what remedial action is necessary, and ensuring that that action is taken. It is also important not to set metrics in concrete under any agreement between yourselves and your supplier. Metrics should be a moveable feast, and change as circumstances change, fully agreed by the parties concerned. We have probably all seen instances of unsatisfactory agreements where an unchangeable metric has led to the provision of a service which is fundamentally unsatisfactory for the entire period of a contract.

Conclusion

Starting from a position of some crude Customer Service Targets, we have now settled on a framework for the creation of a useful and meaningful Service Level Agreement. In itself, this exercise has not created a new SLA. The identification of what we should be measuring to meet the organisation's service requirements alone cannot do this. What it did was to create an environment in which effective measurements can be identified and made, thus ultimately leading to the creation of a realistic and meaningful SLA and related metrics.

The introduction of consultants proved, much to our surprise, a key catalyst in defining what we should be doing, and how we should do it. While we did not agree with everything that the consultants came up with, and actively disagreed with some of their conclusions, without their input we would not have got as far as we have.