

Both service standards and service level agreements are methods used by service providers to ensure consistency of service.

In this article Sarah Cook describes how to set service standards and service level agreements and ensure that they are meaningful to the customer.

### **Service standards**

Service standards are the operational standards that service providers commit to providing their customers - they specify what the customer can expect and when.

Service standards are useful for:

- Setting expectations with external and internal customers and colleagues
- Focusing service providers on the needs of the customer
- Ensuring consistency of service
- Providing a standard against which you can measure
- Encouraging service improvements

Best practice when setting service standards is to first establish the needs of your customers. Both qualitative research (e.g. customer focus groups and one to one interviews) as well as quantitative research (e.g. questionnaires and telephone surveys) are methods that can be used to clarify what is important to customers. For example one organisation in the automotive sector found that the five key areas of importance to customers were:

- Having named contacts
- Having a delivery and collection service
- Being informed of additional work and charges
- Accuracy of invoicing
- Quick problem solving

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This data allowed them to define service standards in each of these areas and then to monitor their performance with customers.

Typically service standards can be defined in areas such as:

- Telephone response
- Email response
- Written response
- Visits and meetings
- Appearance - of individuals and the environment
- Responses to complaints

Service standards need not be confined to external service providers. We have worked with internal departments such as Finance, IT, HR and Facilities to help define their customer needs and set standards of service. Service standards should meet the needs of the customer, not the needs of the organisation or the department. In order to develop service standards, it is essential that those people who are instrumental in delivering service recognise what is important to customers. This means that they must see relevant customer research and feedback.

Service providers also need to collectively agree the standards that they will deliver. If standards are imposed without consultation the likelihood is that these will not be met. We aim to provide a high quality service to our customers at all times. When you contact us by phone, letter, fax or e-mail, or in person we will:

- Send you a reply within 2 working days of receiving your communication
- Answer your telephone calls within 3 rings
- Identify ourselves by name in all communications
- If you have an appointment with a named person when visiting our offices, they will see you within 5 minutes of the appointment. If you have not made an appointment, someone will see you within 10 minutes of your arrival.
- If we visit you we will arrive at the appointed time. If there are any unavoidable delays we will call you at least 15 minutes of the appointment time to inform you of any delay.

### Example of service standards

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Service standards need to be:

1. Specific - what exactly will the customer experience be?
2. Measurable - how can this be quantified?
3. Achievable - can all service providers achieve this?
4. Realistic - does the standard meet the needs of the customer Is it what the customer wants?
5. Time-bound - when will the standard be delivered and how often?

When setting service standards a typical objection voiced by some service providers is that they will not be able to stick to the standard and therefore this is unrealistic. If this is the case, set a target for how often the standard will be achieved e.g,

'We will answer your telephone call within 3 rings, 95% of the time'.

You then have a measure to monitor your performance against the next time that you gather customer feedback. Do remember to double check with customers when you have set standards of service that this is acceptable to them, before publishing these.

One of the benefits of setting service standards is that you then have a measure against which to monitor performance.

Here is an example of a short questionnaire that one internal department sent to customers to gain feedback on how well it was meeting its service standards. In this example, one of the standards the department had set was to resolve all queries from customers on the telephone there and then 70% of the time. In fact the survey demonstrated that the standard achieved was 73%. This feedback allowed the department to review their standards and set a new target of 75% first time resolution.

### **Feedback on our telephone standards**

You contacted us today by phone. In order to assess the standard of service you received, please give us your honest opinion.

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1. What were the number of telephone rings before your call was answered?

0-3    4-6    7-9    10+

2. Did the person answering the call tell you their name at the beginning of the call?

Yes   No

3. Was the/call handled in a courteous manner?

Yes   No

4. Did the person answering the call answer your query there and then?

Yes   No

Additional comments:

### Example of Customer Survey on Achieving the Standards Set

#### **The process for setting standards Service level agreements (SLAs)**

When providing a service, sometimes misunderstandings can evolve as a result of the different expectations held by the supplier of the service provider and the customer.

Service level agreements (SLAs) are really useful for:

- Focusing the service provider on what really matters to the customer
- Setting and maintaining quality standards
- Pinpointing accountability
- Closing service quality gaps

Service level agreements are a form of 'contract' between a service provider and a customer to control the supply and use of services provided either within an organisation or externally.

Those organisations that use SLAs find that the benefits are:

- Greater trust between customer and supplier
- Improved communication
- Greater openness
- Acknowledged dependencies
- Joint team building
- Partnership approach

There are two types of SLAs that you can develop:

1. Back to Back - where one department or organisation is providing a service to the customer. This type of SLA is ideal for simple processes

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2. Complex - where multi-departments or more than one organisation is providing a service or parts of a service. Appropriate for more complex processes.

Here is an example of a simple back to back SLA set between IT as the service provider and Training and Development, the customer.

### **IT Department and Training & Development Service Level Agreement**

#### 1. Background and Participating Parties

IT department undertakes to provide Training and Development with a Product Knowledge Intranet-based Questionnaire and Scoring Application. The questionnaire will comprise a maximum of ten sections with twenty questions per section, each section dealing with a particular product. The sponsors of this agreement are David Hughes in IT and Peter Knowles in Training and Development.

#### 2. Services to be Provided

IT will:

- design templates reflecting Training and Development's corporate 'look and feel' as specified in the published guidelines
  - build a database of product questions together with related correct answers
  - produce a data driven software engine to facilitate question display in random order at each new log in
  - incorporate an email reporting system to monitor user progress
  - integrate the questionnaire into the server
  - work to a two month timescale from delivery of all content to installation
  - provide help-desk support to resolve queries and faults from 9.00 a.m. to 5.30 p.m. Monday to Friday excluding Bank Holidays
- The agreed standard for resolution of queries and faults is 95% resolution within 24 hours from notification

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Training & Development will:

- provide all content including photographs, drawings, graphics, text, logos or any other material which may be included in the questionnaire
- provide and identify the relationship between questions and answers for each section of the questionnaire up to a maximum of twenty questions per section
- provide contacts, help and reasonable access to IT personnel and the existing intranet to facilitate the smooth installation of the questionnaire application

### Management of this SLA

- Russell Jones from IT will manage this project.

### Performance Reviews and Arbitration

- A review of this SLA will take place at monthly intervals after the signing of this agreement.
- If something were to go wrong or become the subject of a dispute Russell Hughes should be contacted first.
- If after discussion a complaint cannot be resolved within 2 weeks, the two sponsors listed above would aim to provide a mutually acceptable solution within a further 2 weeks. If the complaint cannot be resolved an independent arbitrator acceptable to both parties would be invited to mediate and their decision would be respected.

- Signed : IT Sponsor :
- Training & Development Sponsor :                      Date:

### Example of simple service level agreement

A simple SLA typically contains the following:

1. Background
2. Participating parties and sponsors
3. Services to be provided by the supplier and for what period
4. Ordering / delivery procedures
5. Agreed performance / service standards
6. Responsibilities of the customer
7. Performance reviews and arbitration

- 8. Process for changing the SLA
- 9. Points of contact for SLA management

When writing a service level agreement, remember to keep the language simple and unambiguous. The SLA should be short, only a few pages long. One advantage of an SLA is that it sets out what both parties expect of each other.

The SLA needs to be a 'living' document so it should be reviewed on a regular basis. Mutual exchange of operational information is essential to the effective monitoring of implementation.

Both service standards and service level agreements, when developed in full consultation with the customer, help provide a consistent service that matches customers needs. The process of developing service standards and SLAs also highlights gaps in performance and areas of service improvements. This and the reviews that should take place of service standards and SLAs should give the service provider with opportunities to continually improve service quality.

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