

COMPUTACENTER PERSPECTIVES

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EXPERIENCE LEVEL AGREEMENTS (XLAs)

In recent years, the notion of “Experience Level Agreements” (XLAs) has come to the fore as an approach for evaluating the quality of IT service provision and end user experience. In very broad terms, this is borne from the continued shift and focus towards the experience that people have whilst at work, as corporate IT continues its “catch up” with the standards we live by in the technology experiences within our personal lives.

Service Level Agreements (SLAs) are the industry norm for measuring and evaluating the delivery of a service but are criticised for not

addressing the most important factor that is required in providing outcome focussed services – the experience that users receive. SLAs are a quantitative instrument to measure and report on metrics, they tell you if you have achieved or under-achieved a predefined quality metric, but that metric is not correlated to what users’ experience.

Many hours are spent reviewing SLA reports, yet there is still significant room left for debate between the supplier and the customer as to whether the figures in front of them address the shared outcomes that are desired.

A very simple explanation of the all too common dynamic:



The customer reviews a “sea of green” SLA reports and metrics, yet struggles to correlate the performance and metrics being presented against the ambient noise of user dissatisfaction and inefficiency in the operating model



This leads to the supplier and the customer often introducing new SLAs and measures to address the gaps identified



To achieve this a supplier requires additional resources to meet, monitor and report on the additional SLAs and measures, resulting in potentially higher cost to serve for the customer whilst still not necessarily addressing the underlying user experience issues

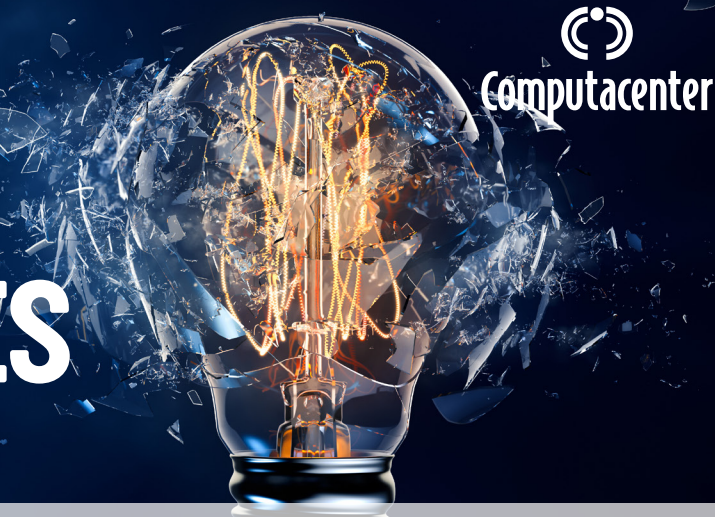


The supplier often struggles to demonstrate true innovation and partnership in the eyes of the customer, as they are fundamentally driven by a need to adhere to contractual commitments, i.e. SLAs

XLAs are gaining momentum, but there are several considerations in how to define and implement them.

This paper aims to offer our perspective to aid future discussion as the topic becomes more prevalent.

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THE DIFFERENCE BETWEEN SLA AND XLA

Service Level and Experience Level Agreements are different instruments to measure different things. Service Level Agreements are a mature, industry standard approach for monitoring and measuring service quality, as measured by quantitative Key Performance Indicators (KPIs). SLAs are reported against whether the KPI is met, that KPI can be material or not to the ultimate outcome that is delivered by the system. This often leads to the complaint that what is reported as green [SLA compliance], feels red [dissatisfaction, as opposed to non-compliance], from poor user feedback or a wider perception that the desired outcome is not being fulfilled.

XLAs, by contrast, measure the experience that is received. The measurement criteria now include the users, as they are the only ones who can judge the experience they receive. Therefore, analysis of the traditional quantitative KPI measures are now augmented with measures from the end user or consumer of the service as to how they feel or perceive the system to be performing i.e. qualitative measures or Key Experience Indicators (KEIs).

Given that how someone 'feels' or how they 'perceive' things can be ambiguous, unpredictable and complex, care must be taken in the construction of XLAs in order that they are effective in measuring user experience and driving the outcomes and behaviours desired. As people are unpredictable by nature, not every nuance of the user experience can be controlled. So, an individual's perception of experience is exactly that, a perception at a point in time – not necessarily something that can be defined in advance, understood, or reconciled easily.

Traditionally the way the user experience is measured is reactive in nature, responding to what the users have told you about what they experienced. However, the spirit and opportunity of the XLA is exactly the opposite, to drive continual innovation and excellence in service delivery to delight users in every interaction, allowing for a more proactive approach to service delivery.

XLAs are the ultimate measure of how things are performing, as they are judged by the people who are using the services. Ensuring you are providing a great experience is key to customer attraction and loyalty, but loyalty is a very fragile asset and tolerance for failure or mediocrity is minimal. That is why it's now so important to measure experience.

The table below summarises the key differences between traditional SLAs and new XLAs:

| Service Level Agreements | Experience Level Agreements |
|-----------------------------|-----------------------------|
| Internally focused measures | Externally focused measures |
| Contractual | Commitment |
| Transactional | Partnership |
| Output-based | Outcome-based |

SLAS AND XLAS - A MIXED ECONOMY

SLAs are a key management instrument for reporting on the delivery of important service elements. The challenge is the lack of complete "line of sight" between the SLAs and the ultimate outcome they are seeking to deliver and support. This is what can cause customer tension and frustration with a solely SLA-based approach.

Equivalently XLAs may only be viable for those things that are visible or tangible to the end users, and there are many supporting components in the delivery of those outcomes that an organisation

may feel comfort in contracting to via traditional SLAs to provide reassurance of how the supplier is operating. If we are to fully embrace XLA, then we empower service providers to deliver the service however they choose, and we focus solely on whether the experience outcomes are being met and are continually improving.

This is a huge leap of faith and maturity that in many other contexts across the industry has not been achieved, so it's inevitable that there will be a blend of XLA and SLA in the future IT landscape.

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TOP 5 CONSIDERATIONS IN THE TRANSITION TO XLAS

1. CULTURAL CHANGE

Embracing XLAs requires a culture and a mindset shift in both the customer and the supplier. They represent partnership and a commitment (and implication) to continually better the experience that users have when interacting with the IT services.

Given that the focus is on the user experience, then the customer needs to detach from “how” things are undertaken by the supplier, a significant maturity from where we are today.

For the supplier, an XLA model requires that the supplier think more about the ultimate outcome they are delivering to the user and strive to continually improve and enhance this. The “problem” is that user expectation is a moving target. One experience of delight raises the bar on what is expected next. A poor experience may be the last encounter a user or consumer has with the service.

2. XLAS ARE NOT A DIRECT REPLACEMENT FOR SLAS

Current IT contracting procedures are focussed upon the industry norms of Service Level Agreements. Whilst the narrative about XLAs vs SLAs creates a dispute as to whether SLAs drive the right behaviour and partnership, they are a “common denominator” that both parties understand, there are defined models for contracting, analysis and measurement and comparison across organisations and industries. They aid “black and white” evaluation for the purposes of vendor management. They do not cultivate partnership and collaboration.

3. ALIGN XLAS TO STRATEGIC GOALS AND ADAPT AS NEEDED

The experience that someone has is subjective and is derived from a raft of factors that are not always known to the provider, nor possibly even the user themselves. It is impossible to define what “good experience” is. Everyone’s view differs as a result of their own expectations, their bias, their mindset at the given point in time etc and the experiences to focus on will change over time as improvements are achieved.

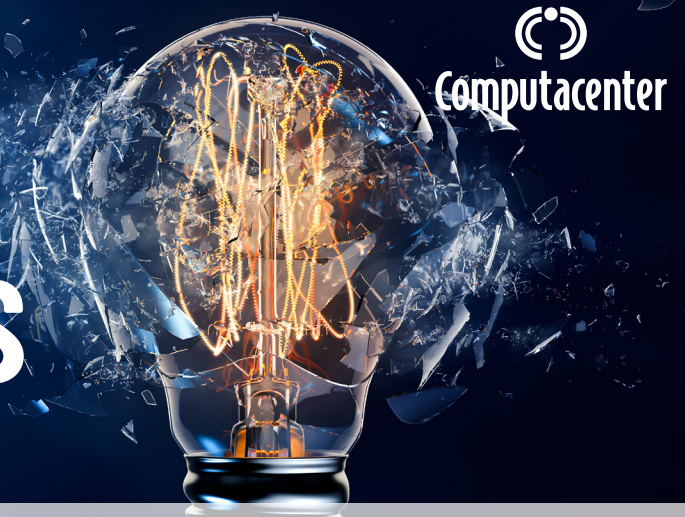
4. ECO-SYSTEM COMPLEXITY AND COLLABORATION

Measurement of the experience can be complicated and is increasingly driven from many micro-measurements that may be delivered from several different technologies, or suppliers. In the current world of “ecosystem outsourcing” this problem becomes significant. Who ultimately owns the experience level? And how can individual suppliers contribute effectively to the desired outcome, but in a way that they are able and willing to contract to?

5. COMMUNICATION AND USER ENGAGEMENT

And finally, XLAs are dependent upon users participating. You can only improve the experience if you have a baseline from which to start. User apathy or disengagement with IT services is often a real thing, so supporting and engaging user participation in the model, and wrapping this into a wider programme of user engagement and adoption is a key to success

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HOW DO I CONSTRUCT AN XLA OR XLA REGIME?

Across all industries, Computacenter has found that customer experience is significantly subject to context. Therefore XLAs will need to change and adapt to the goals and priorities of the organisation, continuously seeking to drive improved experience. Nevertheless, we have identified some common themes that will apply in most customer scenarios, and in order to provide consistency, we have a defined XLA library that can be used as a baseline to measure the agreed outcomes we define with our customers.

The framework we use is as follows:



Our approach is first start by understanding the outcomes – what is it you and your business want to achieve? Typical examples of common Experience Outcomes defined here for the purposes of this discussion are as below:

- Users can work anytime/anywhere with the right level of service availability, performance and functionality
- Users benefit from significant enhancement in functionality driven by more rapid enablement and adoption of technology
- New users receive a positive first impression of the organisation as a result of a slick New Joiner process that gets them online quickly
- Users hold a positive impression as a result of any interaction with the IT support function

Once the Experience Outcomes are defined, it is then possible to identify the key Experience Level categories that are needed from our XLA library, and the specific XL-Agreements needed to understand how this experience will be measured through the underpinning metrics and measurement criteria. An example of developing this model is shown below:

| | | | |
|-----------------------------------|--|---|---|
| EXPERIENCE OUTCOME | User can work anywhere and at any time with the right level of service availability, performance and functionality | | |
| EXPERIENCE LEVEL | Workplace Experience | Support Experience | Employee Productivity |
| EXPERIENCE LEVEL AGREEMENT | Average monitored device performance, (eg. log on/log off times, device availability and performance) and KPI measures + Employee Satisfaction scores for the workplace services | Quality of the support received when interacting with human support resources within each channel (eg. FCR) | Percentage of issues avoided through proactive intervention |

Whilst our experience shows there are common XLAs that will benefit most customers it is important to consult and collaborate closely with the business and their users in the development of the XLA regime, to ensure that the expectations and requirements are understood and met.

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WHAT IS THE BUSINESS BENEFIT OF XLAS?

XLAs are a step change in the evaluation and measurement of services and providers delivery of services. This is being driven by what we term the “experience era” that pervades our personal and professional lives as it relates to technology.

XLAs are important as they are a pulse on the perceptions of users as to their IT experiences. It can help with user satisfaction and engagement into the business, we would all like that users have a positive feeling about IT. But there needs to be a stronger business connection in order to justify the efforts and potential costs of delivering to an XLA measurement.

It is important to note the connection between our efforts in defining XLAs and working to that ethos and the customers broader business outcomes, capturing these improvements based on the measurement criteria that are implemented. Technology will only ever be a part of the business outcome, but technology’s role is increasingly material to it

To contextualise this point, an example from the Healthcare sector is used.

Key business outcomes of a healthcare organisation may be to:

- improve the quality of care delivered to patients
- reduce waiting times for consultations
- enhance success rates of medical interventions that are required

Technology and the technology provider ecosystem cannot deliver these outcomes for the healthcare organisation, but technology can be a support to the endeavour. We cannot directly improve the quality of care delivered to patients – doctors, nurses and other trained medical professionals are required for that.

What we can do is empower and equip those professionals with technology solutions that makes the medical professional more productive and effective – and therefore our XLA that maximises user productivity or availability of systems (the user in this case being the doctor or nurse) can be a huge support to the final business outcome: the general public receive better medical service and interventions, and the user records a positive experience of IT as it has supported them doing their work to the best of their ability.

GETTING STARTED ON THE JOURNEY

Our approach is based upon a phased introduction of XLAs over time, rather than a radical change from the SLA models that are in place today. Both mechanisms are useful and will be required for a period. There are key pieces of tooling and instrumentation that are highly desirable in aiding the transition to an XLA approach, infrastructure analytics toolset, user feedback solutions are two examples.

These toolsets need to be introduced carefully and then configured and tuned to deliver meaningful datapoints that enhance understanding of what is happening in the environment – data point “clues” to the experience that users are feeling. We then need to engage users into this new model, resolving their feelings of dissatisfaction, disengagement or apathy with IT – as without the user buy-in, nothing will change.

Our Workstyle Analysis service (qualitative analysis) as well as our End User Experience Baseline Service (quantitative analysis) are important tools to help build contextual understanding of the current experience baseline and expectation to help set this up for success.

Our key advice is to start small, evolve over time, and ensure the connection to the wider business outcome is identified, communicated and continually enforced both to users and the wider services ecosystem to engender commitment and partnership to the measures of success that are required.

NEXT STEPS

If you require any further details on these solutions, or further support please contact your Computacenter Account Manager, email enquiries@computacenter.com or call 01707 631000