Using XLAs in ISO/IEC 20000-1

Background

Ever since the service management frameworks were introduced we have learned about SLA, the Service Level Agreement as the bridge between those who purchase and use services and those who provide them. An SLA is a (contractual) agreement built on several measurable metrics and targets that will give a good understanding of what should be delivered.
The main objective of an SLA is to find the balance between expectations (customers and users) and ability (service provider including all its suppliers).

But, is this enough? Are all happy and satisfied when all measures and KPIs are green?

The answer is No. The next level of agreement is called Experience-Level Agreement (XLA) and that is what this whitepaper is all about

XLA and SLA

Why do we need an XLA for? There are probably a lot of answers and explanations to that question but for one thing, the service provider needs to be more convinced that the services provided are what the receiving organisations need. It brings them *value.*
And that is the big difference. While an SLA focuses on hard figures such as availability, capacity, response and resolution times with the provided service in focus, an XLA shifts from services provided to *bringing value to the customer*.

What is the content of an XLA?

Now it´s getting interesting. There are many blogs and articles on the internet describing XLA as a theoretical phenomenon but when it comes to drilling down into the practical content the hit rate goes down. This is understandable because XLA puts the customer in focus, including the customers' business outcomes and the end-users of the service. What to measure and how to measure differs a lot when using XLAs.

XLAs in practice

There is very little information available about the practical implementation of XLAs. We can however state the following:

- In order to establish an XLA, the service provider and the customer need a very close relationship based on trust. There needs to be a very good understanding of how the customer uses the service to achieve their business outcomes. In addition to that, the service provider and the customer need to collaborate very closely as partners to achieve the customer's value (more efficient business processes, cost reductions, etc.) as well as the service provider's value (revenue, market share, etc.). This requires mutual trust.
- Based on this trust relationship, customer experience should be assessed at various points of the service lifecycle where the customer and the service provider interact. Together, these points are known as the *customer journey*.

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- Experience should be measured directly at the point of interaction (or very shortly afterwards). For example, when the customer calls the service desk, when an incident is being resolved or has just been resolved, when an invoice is received.
- Measuring experience in practice is often survey-based, but different from the classic customer satisfaction (CSAT) surveys in that an experience-based survey is very short, presented directly during or after the interaction with the service provider and measures experience, i.e. how did the customer feel about this element of the service? Did this service component achieve a certain value for the customer? This can be compared to the five-button scale some airport security areas have where people who just went through their security check can indicate whether they were happy with the interaction with security staff or not.

The XLA itself documents when and how these measurements take place: at what points in the customer journey, how frequently and in what way. Rather than focusing on service-level targets that should be achieved, an XLA simply measures experience and uses this as input for improvement activities for the service.

Benefits for customers and service providers

Service providers that decide to introduce (or shift to) XLA will, together with the customers in focus, gain a better understanding of each other and the focus will change from service delivery to bringing value to the customers. The relationship will mature.
Benefits for the customer is that with an XLA the provider will gain a deeper understanding of the needs the customer has, both today and tomorrow.
Benefits for the provider is a deeper relationship, a deeper business focus, developed trust from customers that most likely will result in longer business relationship.

XLAs and ISO/IEC 20000-1

XLAs should not be seen as a replacement for SLAs: there is still a case for measuring service performance using SLAs, because this focuses on different aspects of the service. This is the domain of service level management. As stated in clause 8.3.3 of ISO/IEC 20000-1:2018, all services in scope of the SMS should have an SLA, but organization is free to have an XLA on top of that.

XLAs are in fact much closer to business relationship management where the relationship with the customer needs to be understood and improved where needed. Here the customer's experience while using the service is central. Determining this experience is the focus of XLAs, the measurements of which can in turn be used as input to continual improvement.

IT experience management (ITXM) and Experience level agreements with user and customer in focus is a cultural change that should be stated in the Service management policy (see clause 5.2). Furthermore, it should also be reflected in Planning of the SMS (clause 6.2). Even clause 7.6 Knowledge should be considered since the knowledge about customers, their business and the users are in larger focus.

References:

ISO/IEC 20000-1:2018
Giarte (www.giarte.com)
HappySignals (www.happysignals.com)
ITIL®4 *Drive Stakeholder Value*