# Service Level Agreements with Managed (IT) Service Providers

*What Service Level Agreements (SLAs) should your organization look for in a Managed Service Provider (MSP)? Fundamentally, the SLA should provide and define specific details of the agreement in terms of <u>what is covered, how, when, and by whom</u>.*

## What is a Service Level Agreement (SLA)?

SLAs hold MSPs accountable when delivering an expected standard of IT Services. The core goal of an SLA between a company and the provider is to outline both parties' payment structure and service responsibilities. And that includes specifically defining and documenting exactly what services the MSP will offer, including:

- The hardware and software being covered

- Details of the monitoring services (if applicable)

- Troubleshooting services in emergency situations

- Response times

- Revision and Termination, and more.

## What are the components of a Service Level Agreement (SLA)?

SLAs are often modified to fit the parameters and needs of your business and the unique relationship the MSP has with your business. But when working out the SLA with your MSP, here are the general items you should expect to be addressed:

**1. Service definitions** - First and foremost, the SLA should include the list of services your MSP will offer. The list should be as specific as possible to avoid any future inconveniences and ensure that all the services included are beneficial to your business.

**2. Obligations** - The responsibilities of each party should be clearly set forth, including ongoing support, maintenance, and troubleshooting. This will create structure around what is expected from each party and what specific issues require intervention.
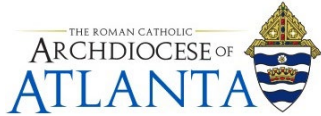
Ideally, there should be a protocol for your MSP with regards to:

- Responsibility: What areas of your company's IT should your MSP manage and monitor?

- Emergencies: What constitutes an emergency?

- Response Time: If and when you report an emergency, what is the minimum timeframe that your managed service provider will respond within?

- Reporting Method: How do you report an emergency? What information do you need to provide? Will this vary based on the time of day or week?

**3. Reporting responsibilities** - The SLA should establish clear reporting responsibilities and guidelines for service assessment. Make sure you know when to report problems, determine the severity of each issue, and to which channels to communicate this information to the provider.

**4. Response time** - A critical piece of the SLA is defining an acceptable window for service response. This means defining how quickly a provider should respond to a complaint, response times during non-working hours compared to working hours, and how many technicians will be allotted for each event.

**5. Contingencies** - Should a service provider fail to deliver; the SLA should outline clear action steps the provider will take to rectify the situation.

**6. Termination** - The SLA should include a termination clause that details specific circumstances in which you can cancel the agreement. This section outlines the legal procedures necessary to create a smooth transition.

**When should you revise your SLA?**

Your organization will go through a lot of changes during your SLA run. That is why it is crucial that both the client and MSP periodically review their SLA and edit it as needed based on your current needs.

An SLA should be viewed as a complex agreement that can be reviewed when the following occurs:

- **Adding or removing a service**
  Whenever your organization adds or stops offering a service, the SLA should be revisited in order to maintain current productivity levels in light of the new circumstances.
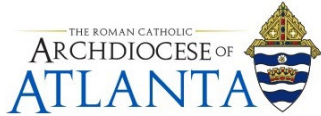
- **The work environment has changed**
  Your organization's work environment is destined to change with new hires and different technologies. It is essential that your SLA accurately reflects your work environment through all its changes.

- **Advancements in technology**
  If new technology allows your organization to enhance communication or improve customer service, an updated SLA should also display that.

- **Regular Revisions**
  The recommended time for SLA revision is every 18 to 24 months to make sure that inaccurate or old information isn't portrayed in the agreement.