Maintenance Perspectives
Ways to get more from your hardware agreements

Is "summer" an acceptable excuse?

Quality of Service shouldn't vary by season

July 5, 2011

Keep an eye out for typos.
Details are at the bottom of this newsletter's content.

Cyclical service delivery strains

Summer vacations are a time-honored tradition in the US, and with the exception of a few hardcore bosses working their way towards a burnout, your IT team will probably need to coordinate a week or two of vacation for everyone who's been working there long enough to have earned it. You have some degree of control over that, so that you can be sure critical job functions aren't understaffed at critical periods. There may still be some strain, but if all goes according to plan, people get the breaks they need and your IT service delivery continues uninterrupted. If it doesn't go according to plan, there may be more serious issues to deal with, but when it comes to internal staff you at least have some degree of accountability and control, as well as the ability to use incentives and decentives to help ensure the desired outcomes actually occur.

Unfortunately, IT management has no such control over external service providers. A provider is only as good as the least reliable, most overworked team member assigned to your account. This is worth considering in some detail before a provider's staffing weakness turns into a full-blown ugly service event; and when staffing is already more thin than normal, the problems are even more likely to occur.

A few signs to look for

The most obvious red flag that service delivery may not live up to its promises over the summer is when Service Level Agreements (SLAs) aren't met. Excessive escalations, late delivery of parts, and late appearances of technicians are all highly suggestive that even larger troubles may be on the horizon. Missed SLAs are by no means the only indicator, however. Billing disputes, reductions in payment credit terms (for instance, from net 30 to net 15 or less), or other fee changes may stem from excessively tight budgets on the part of a provider. While there are certainly legitimate reasons for these as well, an overly financial focus on the part of a non-financial service provider *may* indicate shortfalls at home, either caused by short staffing or soon to result in ill effects to staffing levels and commitment in the near future. Beware of scenarios with service providers who are publicly traded where a decline in stock prices accompanies an increase in service fees.

Taking control of the situation

Though your team may also be operating at shorter staffing levels than the rest of the year, a small amount of extra effort in managing service providers can avoid escalations and service blowups in the future. Pursue explanations and details from your provider whenever an escalation occurs or an SLA is not met from the larger perspective of future weakness, rather than present discomfort. "It won't happen again" is easy for a provider to say, but unless a reasonable action plan comes with it, words alone are no insurance against the future.

Whenever possible, choose providers with financial strength and a healthy long-term outlook, whether public or private companies. Public companies must open their books within regulated boundaries, and though private companies need not reveal as many details, they should be able to provide objective, quality evidence of their financial vitality, especially if you are willing to agree to a non-disclosure agreement for mutual protection. Pay attention especially to debts and payment obligations that the provider cannot avoid. In some cases you may also need to consider the possibility of that provider being acquired by a different company, possibly resulting in fundamental and long term changes in service delivery and pricing.

Few maintenance contracts address this sort of contingency, since the terms regarding the disposition of existing accounts are generally dictated by the purchaser, rather than the purchased, but it's worth keeping in mind when entering into an annual agreement with companies further down in the pecking order within their markets. Pursue details in writing as soon as possible if such an acquisition occurs; depending on the wording of the contract you may have additional legal rights for getting out of an agreement after an acquisition if you have the desire.

Lastly, be sure your SLA level - and the fees you're paying for it - are appropriate to your actual needs. It does you no good to pay a higher price for a service level that exceeds necessity, and your service provider should agree that your needs, rather than their revenues, are the only deciding factor that matters. Carrying 2-hour onsite coverage on all your systems, new and old, production and development, is a waste of your budget and the provider's services if only a small number of high-availability systems actually requires that degree of protection. Favoring a flexible provider rather than a one-size-fits-all contract is preferable; 'one-size-fits-all' inevitably either means either paying a premium for services you don't need, or settling for the lowest common denominator of service on all systems when some require better coverage. When staffing levels are already thin in the summer, having a firm grip on these maintenance agreement terms can only help;

better management of service levels can often free up additional budget as well.

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Veronica, Philippines Kiva Loan Recipient

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