

Continuous SLA

Outsourcing using a Continuous SLA.

By Bart de Best

Context:

This practical example takes place at a production company. This company had outsourced the management of IT services and wanted to take control of them itself. The IT provision of the core business, finance, HRM and office automation had to be completely outsourced and redesigned.

Challenge:

The company's challenge was that its own service organisation only had operational service employees. There was virtually no directing experience at the tactical level. In addition, the design of the information, application and infrastructure had not been mapped out by the external coordinator and information transfer was nil.

Solution:

The solution to this challenge is found in the concept of Continuous SLA. This blog discusses this approach through the following steps:

1. Value stream definition
2. Application mapping
3. Application portfolio analysis
4. Infrastructure portfolio analysis
5. Enterprise architecture design
6. Dynamic SLA control
7. Securing the improvements

1. Value stream definition

For this situation, management based on value streams was chosen as the architectural solution. This means that for the chosen outsource domains core business, finance, HRM and office automation, four sets of 10 to 12 value streams have been defined that cover the entire administrative organisation. The format used for this is shown in [figure 1](#). For the first time, the administrative organisation was defined on four A4 sheets in terms of value streams and the steps within them. The design per domain was one hour of brainstorming and a number of review rounds among the stakeholders to achieve alignment. There were different points of view that only became clear by drawing the value streams. A clear picture was also obtained for the first time of the demarcation of the four domains, such as the flow of a quote request across the departments and the division of the work regarding the use of temporary workers in terms of time administration, invoicing and payments.





Figure 1. Value stream VS01, VS02, VS03.

2. Application mapping

Based on this scoping of the service provision, we examined per domain what information is required to implement the value streams. To this end, the applications in use have been mapped to the value streams. This mapping has been applied to determine the scope of outsourcing per domain. The scope is defined based on the value stream level, use case level and application level.

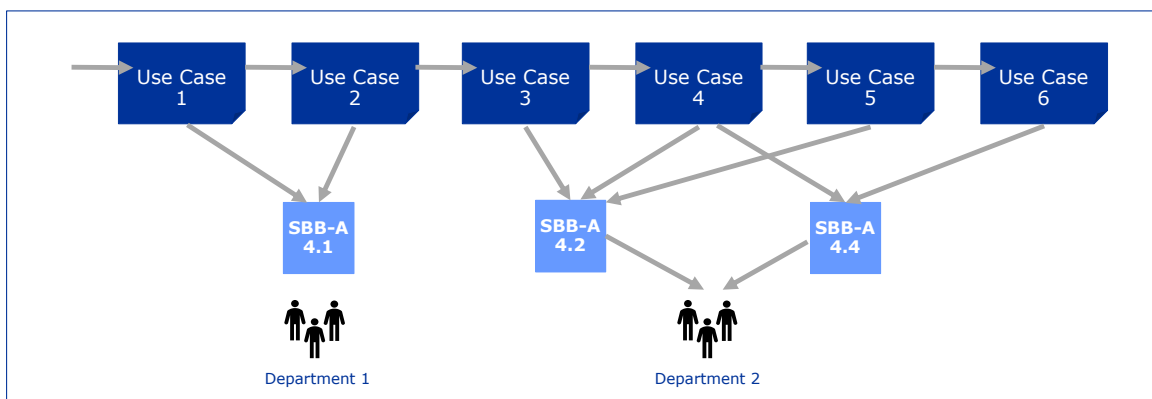


Figure 2, Value stream / application mapping.

3. Application portfolio analysis

Based on the insight obtained into the information and application landscape, a list was made of all applications and tools that the company uses. This list has been used as an application portfolio. For each application in the application portfolio, it is determined which ones are and which are not covered by outsourcing. Furthermore, the list has been supplemented with applications that did not appear in the value stream / application mapping. Based on this, the value streams were checked for completeness.

4. Infrastructure portfolio analysis



A list was then made of the infrastructure products used by the applications and the infrastructure portfolio was drawn up.

The life cycle of these products has also been determined. By mapping the applications to the infrastructure, the application portfolio and infrastructure portfolio have been completed.

5. Enterprise architecture design

The Enterprise Architecture is modelled based on the analysis at value stream level and the insight obtained into the stacks (applications and infrastructure) required for these value streams. Archimate plates have been set up for this.

6. Dynamic SLA control

Each domain is assigned an owner of the related value streams. Based on the drawing at the enterprise architecture level, the service portfolio has been mapped and the SLA standards have been determined per service. The heart of the control is the Continuous Everything concept Continuous SLA. This concept fits well with the organisation because the company had insufficient administrative capacity to manage suppliers. By opting for a business partnership instead of management based on a customer / supplier relationship, this shortcoming in management has been partly mitigated.

The added value of using a Continuous SLA lies in the fact that, in addition to the standard SLA standards such as availability, continuity, capacity, performance and information security, the SLA also offers room for a dynamic part of the SLA. This dynamic aspect of the SLA is determined monthly together with the business partners based on a value stream / Lean indicators mapping determined in advance by the company as shown in [Figure 3](#).

This value stream / Lean indicators mapping is carried out monthly for all four sets of value streams based on estimates and indicates the limitation (performance limitation) and boundary (function limitation). This takes into account the lead time (Lead Time = LT), processing time (Processing Time = PT), and percentage of first time right (% Completeness and Accuracy = %C/A).

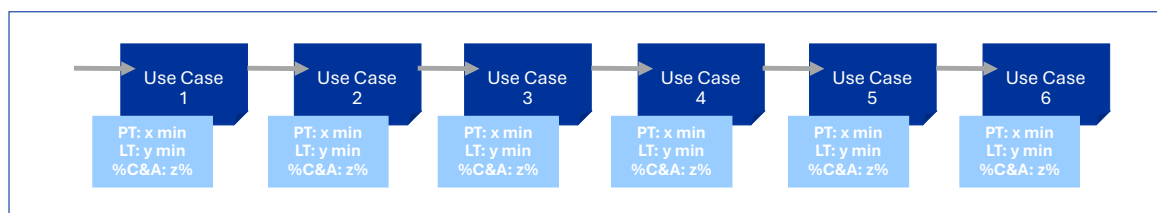


Figure 3, Value stream / lean indicator mapping.





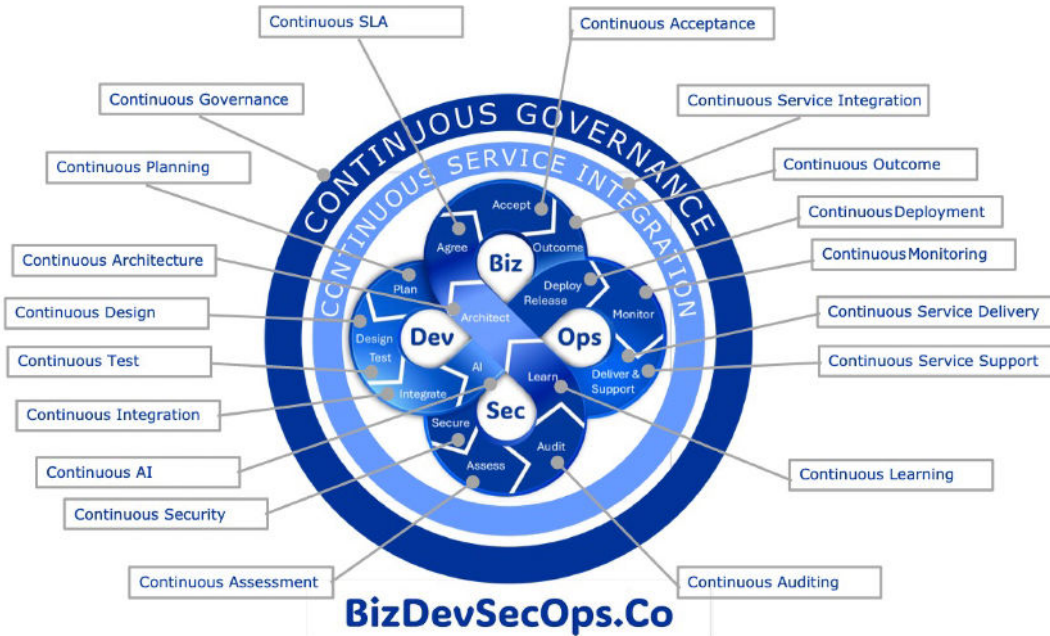


7. Control the improvements

Every month the business partners meet in four sessions to discuss the bottlenecks and propose solutions. These solutions are placed on the product backlogs of the business partners and realised by the Agile teams. The outsourcing takes into account the space required to make improvements possible.

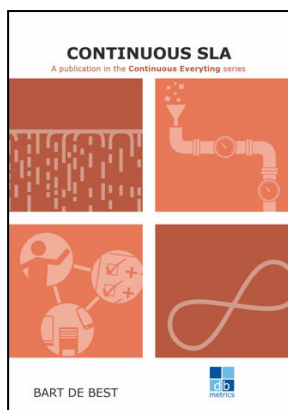
By linking the SLA to the performance of the business value streams, a Continuous SLA is created that gives the business a steering wheel to take control.





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