

## Chapter 19: Quality and the Service Level Agreement

Quality is an interesting, yet maligned, topic. It is an area that every manager must be aware of, in large or small companies and in all industries, yet an astounding number of companies manage to blunder through without ever using any formal guidelines. Many in the UK seem to consider this a badge of honour.

I used to manage a software development team without any formal quality framework; software quality is obvious. I knew that if I delivered software to the end users that was bug-free and performed what they expected then they would be happy and I would continue to draw my salary. How could I measure different grades of quality - either it worked or did not?

What I failed to appreciate, before I started working offshore, was the amount of additional unaccounted effort that took place to keep those deliveries bug-free. Programmers and maintenance support teams would be working to test the systems on a live production environment in an iterative style, sometimes without the users even being aware of their guinea pig status. There was a process, but it was undocumented and managed to deliver only because I knew what was going on at different stages of the software development lifecycle.

This 'hands-on-fix-it-before-they-notice' approach worked. The end users were happy most of the time and they got their software deliveries quickly and to a satisfactory level. However, this laissez-faire approach sometimes led to problems with new software versions - new bugs were introduced that caused a direct impact to business performance. Given that most of my career has been in investment banking, rather than air traffic control, there has never been a true catastrophe.

Working offshore demands additional discipline to ensure the work is performed correctly for a couple of reasons:

- The offshore team is employed by an outsourcing supplier or your subsidiary in India. Their employees don't sit with your business end users every day. They don't listen to the problems or enjoy the celebration of a great deal. They just cannot have the same level of appreciation for what the business team wants; unless you ensure that some people with domain experience are included in your offshore hiring plans. Even with these leaders in place, it is difficult to replicate the business environment of the end users.
- The physical distance means that for large sections of the day, the Indian team and client team cannot communicate. So it becomes more important to make

use of the window of time each day when conference calls, emails and Instant Messages can all be dealt with. The time zone in India is GMT+5.5 hours. This allows a full half day of interaction each day with East Asia or Europe, but very little with the US.

These domain and physical constraints can be addressed by the use of quality methodologies. In many cases, the introduction of a quality methodology because of the offshore process can dramatically improve the overall process for the end user. The various methodologies all aim to provide a framework that prevents a misunderstanding of requirements so the service can be delivered as expected. The various services that are to be provided by the outsourcing supplier are then framed within Service Level Agreement (SLA) documents, to ensure that the expected service is documented and understood by both provider and client.

SLAs are often maligned as inflexible. Managers use the targets as a tool for attacking the service provider or over-charging the client. The construction of a sound SLA, based on the right level of service quality will ensure that the expectations of both parties are met and clearly stated in the SLA.

How you want to construct your SLA can influence the level of quality you demand from a supplier. The service offered by the supplier can influence the SLA construction, so these two topics are connected by the need to understand the level of quality on offer and how best to integrate these quality expectations in an SLA document.

This chapter explores the most important tools used for measuring service quality and how to determine which is appropriate for your organisation. The SLA construction is then described in terms of what is required from the SLA to ensure a consistently high-quality service, with a focus on the main errors to avoid in SLA construction.

## **Quality Methodologies**

There is a broad range of accepted methodologies in the marketplace at present. Dominant tools are the ISO9000 standards and, for software, the Capability Maturity Model. Six Sigma is rapidly growing as a tool for developing continuous improvement and the COPC organisation is gaining ground in creating certification for the BPO domain.

Many of the methodologies have different grades or scales, reflecting different levels of adherence to quality guidelines. For instance, a software development function that has 'achieved' CMM level 1 can be defined as an ad-hoc process. CMM level 5 however means that the process is continuously being improved.

There are many ways to control a process and CMM level 5 may not be right for your organisation. Another consideration is cost. Every service, whether it is software development or BPO has a value that must be charged to the client. A higher level of service quality control is generally reflected in a higher cost.