

Contract Optimization - SLAs and KPIs



SLA Optimization Stages

Where is your IT / BPO Contract at?

- ⊕ Design SLAs
- ⊕ Measure and Report SLAs
- ⊕ Verify and Validate SLAs
- ⊕ Track and Monitor SLAs
- ⊕ Compare SLAs between Vendors
- ⊕ YoY improvement in SLAs
- ⊕ Incentivize and Penalize
- ⊕ Integration of all SLAs
- ⊕ Creation of BLAs

As one of the key divisions in the company providing critical services to the Business and IT, the Sourcing and Procurement Office need to be able to assess the efficiency and effectiveness of a service provider, in pursuit of achieving the organizational goals such as focus, flexibility, quality of the service, efficiency, and cost of service delivery .

In an environment of multiple service providers, multiple Contracts and the involvement of multiple IT functions in the delivery of the 'COE', it must be possible to track, measure, monitor, compare and report performances by Contracts by Service providers across all the participating COEs to ensure that the organizational goals are met with.

Further, it must also be possible to aggregate/ cumulate the data collected for each of the involved Contract / Service Provider / COEs to report a single end to end value for each Metric. This means that it is necessary to be consistent in the implementation of the metrics across all the Contract / Service Provider / COEs.

Given this and more, our CSAs (Certified Sourcing Auditors) will work with you to better your SLAs (Service Level Agreements) and KPIs (Key Performance Indicators) landscape in terms of how the SLAs are set, captured, reported and improved year over year.

Contract Optimization Audit Report focuses on:

- ⊗ SLAs Existence and SLAs Definition in the Contract
- ⊗ SLAs Reporting and SLAs Reviewing by business
- ⊗ SLAs Data Collection – Source , Destination, Frequency and Process
- ⊗ SLAs Improvement and Redefinition to meet industry standards
- ⊗ SLAs Categorization – CPIs, KPIs and GPIs
- ⊗ SLAs Metric – Type I / Type II, Target / Minimum / Actual
- ⊗ SLAs Attainment, Defaults and Credits
- ⊗ SLAs Penalties Recovery and At Risk Pool Percentage Allocation

If SLAs in your contract are not following the above-mentioned optimization, it is time for you to conduct an external Contract Audit.



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Santosh Sharma is the Chief Sourcing Auditor at **Sourcing Auditors**. Sourcing Auditors focuses on effective Contract Governance© to help clients derive fullest value from the Contract, safeguard and protect their organization against any external threat or internal non-compliance and continuously strive to improve the stakeholder satisfaction levels from the Contract. Sourcing Auditors uses a uniquely designed, best practices-based and highly comprehensive Audit Framework© that uses about 1200+ sourcing parameters to ensure Contract Compliance©, Contract Optimization© and Contract Improvement©. For more information please contact santosh.sharma@sourcingauditors.com