itSM Solutions® DITY™ Newsletter Reprint

This is a reprint of an itSM Solutions® DITY™ Newsletter. Our members receive our weekly DITY Newsletter, and have access to practical and often entertaining articles in our archives. DITY is the newsletter for IT professionals who want a workable, practical guide to implementing ITIL best practices -- without the hype.

become a member

(It's Free. Visit http://www.itsmsolutions.com/newsletters/DITY.htm)

IT Experience. Practical Solutions.

DITY™ Newsletter

The workable, practical guide to Do IT Yourself™

SOLVING THE IT SILO PROBLEM

Vol. 2.14, APR. 5, 2006

hank MARQUIS

Articles
E-mail
Bio

UPDATED SEP. 27, 2006:
ADDED LINK TO SILO ARTICLE
By Hank Marquis
The purpose of the *IT Infrastructure Library* (ITIL[®]) is to optimize delivery of IT services to Customers and Users. The ITIL describes a set of processes, roles and responsibilities that cross many traditional IT "silo" boundaries.

IT silo's are technology centers with their own management and staff. Silos normally don't share the same priorities, values, or goals, and often they do not share the same tools.

Since they also don't share the same management, there are often communications and coordination problems when silos need to interact to resolve service issues.

The ITIL has a solution the IT silo problem — the *Operational Level Agreement,* or OLA. OLAs define how IT groups work together to meet IT service level requirements. Implementing OLAs takes mutual respect and a desire to improve Customer service, but the process is straightforward.

Following I explain OLAs, their value, and how to implement them.

Successful ITIL Adoption

Successful ITIL adoption depends upon cross-silo process interaction and shared responsibilities. For ITIL to succeed, the entire IT organization, including the staff and management of all silos must work together as a service-delivery chain.

However, this is not the case in many IT organizations. Support groups often reside in different departments and locations. It becomes even more difficult with distributed organizations. A common example is a Problem escalated from Service Desk into a technical functional group, for example, software development. It is common for the Problem to "disappear" without any paper trail or notification back to the Service Desk. Another common complaint is trying to get "mind share" from other departments. Classic examples are the battles between network and mainframe.

Users of services do not see IT technology silos, and they do not perceive IT services as composed of silos. Users perceive IT services as end-to-end structures. This difference in views -- IT with a technology focus and Users with an end-to-end focus -- often results from the "silo mentality" of IT. This "silo mentality" appears when each IT silo reports that all is well, but the Users complain of inadequacies because of miscommunications and lack of orchestration between silos.

No matter what the silo or the issue, without a

firm understanding and agreement of performance, responsiveness, authorities and responsibilities, there will always be finger pointing and communications issues. This is simply because each silo has its own primary responsibility. For example, the primary responsibility of software development is to develop software. The primary responsibility of networking is to maintain the transmission systems. What may appear to one silo to be a major issue requiring immediate response might not be so important to another silo.

OLAs are internal "back to back" agreements that define how two different organizations will work together to support the delivery of defined IT services to Customers and Users. While an OLA is very similar to a Service Level Agreement (SLA), it is also very different. An OLA does not underpin a Customer or User service. An OLA underpins the SLA itself, specifically, the OLA defines how departments will work together to meet the *Service Level Requirements* (SLRs) documented in an SLA. If you do not have formal SLAs in place, you are still delivering IT services, and a Service Catalog will do instead.

An OLA often includes hours of operation, responsibilities, authorities, response times, supported systems, etc. OLAs tend to be more technical than in SLAs since they define IT supporting IT.

Not every SLA requires unique OLAs, and just a few key OLAs can help resolve the silo problem. However, it can be difficult to implement OLAs – especially between departments under different management. Implementing an OLA requires patience and the commitment of all involved, as well as the understanding that each silo has its own job to accomplish. Of course, the common relationship all silos share is the provision and maintenance of IT Services of all kinds to the business.

Implementing Operating Level

Agreements

Often the process of implementing OLAs can be difficult. This is easy to understand since no one wants to face repercussions if they fail to perform their primary functions or their agreed responsibilities under the OLA. You must take care to stress that the goal is to optimize delivery of IT services to Customers and Users. There must be a joint group that works together to define and implement OLAs.

1. Getting started with OLA implementation requires a Service Catalog. *[See 'IT Service Catalogs in 5 Steps' DITY Vol. 2 #13 for more on IT Service Catalogs.]* The Service Catalog is the first step in implementing Service Level Management and defines the services that IT delivers. The services described in the Service Catalog are the basis for understanding the OLAs required.

2. With the Service Catalog established, the next step is to review exactly how the various IT departments and organizations (the silos) are going to assure the services described in the catalog.

3. For each IT Service, prepare a worksheet that describes the work that the various silos must perform. Establish a working committee to assess and review the results. It is very important that all parties agree!

4. Develop the tracking system that will record and report on OLA performance. Just like an SLA, OLAs require monitoring. It is the job of the Service Level Management (SLM) process to monitor OLAs. If you do not yet have formal SLM, then you must assign an owner to the OLA.

5. With all the high-level details assembled, it is now time to draft the OLA document. The worksheet for the OLA requires details and specifics. The next step is for the OLA owner

to work with the OLA team to develop the specifics required for an OLA to actually deliver value. *[See the free [OLA template](#) for a document you can use to begin your own OLAs.]* Common OLA contents include:

- **Document Control & Version Information:** The OLA should be under Change Management Control, and reside in the CMDB.

- **Authorizations, Dates & Signatures:** The OLA must have the authority to allow enforcement. This comes from the signatures of the various management levels. It is best if signed by the management of both silos; and then the first common manager of both silo signatories.

- **Objectives & Scope:** Clearly state the purpose of the OLA, and it is not punitive, but rather in support of one or more IT Services in the Service Catalog.

- **Parties:** Define the parties (signers) of the OLA.

- **Services Covered:** State specifically the services provided by each silo involved, listing the deliverables for each party. This is not the same as the IT Services covered under the Objectives & Scope, but rather the services each party will render to the other.

- **Roles & Responsibilities:** For the agreed services covered, document who has responsibility for each step in delivering the service.

- **Prioritization & Escalation:** This section will probably be the most contentious to define, since failure to perform can result in escalation. It is important to stress that the goal is not finger pointing or to make another department a scapegoat, but to assure delivery of prompt service as agreed, and the acceleration of support for high priority issues.

- **Response Times:** Clear and unambiguous definitions of how long it will

take the parties to respond. For example, if the OLA is between the Service Desk and the mainframe group, this section might include the definition of initial response to inquiry; time to review and evaluate; time to perform diagnostics; etc. These times must align with the escalation times as well.

- **Reporting, Reviewing & Auditing:** Any agreement requires oversight and reporting, and no agreement runs forever. This section clearly defines the duration of the OLA, when and under what conditions to review the OLA, and when, what and to whom to report. Also included in this section should be Key Performance Indicators (KPIs) so that the OLA owner can track performance and if required take action before breaches occur. *[See '[5 Steps to Transparent Metrics](#)' DITY Vol. 2 #4 for more on writing clear and useful KPIs.]*

- **Appendixes:** Include references to related documentation, procedures, definitions, and any other resource that makes it easier to follow, understand or maintain the OLA.

6. Publish the draft, negotiate any last minute details, make sure all parties agree to the OLA, and finally have all parties sign the OLA. Place the OLA under Change Management control and store in the CMDB. Make sure all parties know of the effective date of the OLA.

7. The last step is to provide training on using the OLA, run some "test cases" under close management supervision, and then publish and start using the OLA.

The result is an OLA and the end of the silo problem! Try to keep the OLA simple to start, if they are too complex it will be very hard to use them or to maintain them. Do not try to implement too many OLAs at a single time – keep it simple at first. Over time, as the silos learn to trust each other and to work together toward a common goal, you can begin to implement additional OLAs. Over time you can expand

beyond your IT Service Catalog and your OLAs into true *Service Level Agreements* (SLAs).

Abraham Lincoln noted, "A house divided against itself cannot stand." When each IT "silo" acts autonomously in its own "best interest" there is little interaction between silos, and in some cases, there is outright hostility. Everyone loses in this scenario.

When IT realizes that IT service delivery is a horizontal end-to-end process and not a vertical technology silo process, everybody wins.

--

Related articles:

- For more on IT silos please see DITY volume 2, issue 38 "Don't Don't Tear Down Those Silos, Build Them Up!

Where to go from here:

- Subscribe to our newsletter and get new skills delivered right to your Inbox, click here.
- To browse back-issues of the DITY Newsletter, click here.