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## **Service Level Management and Managing Customer Expectations**

## Introduction

Service Level Management (SLM) is one of five components in the ITIL Service Delivery area. It is arguably the most important set of processes within the ITIL framework. SLM processes provide a framework by which services are defined, service levels required to support business processes are agreed upon, Service Level Agreements (SLAs) and Operational Level Agreements (OLAs) are developed to satisfy the agreements, and costs of services are developed.

Executing Service Level Management processes permits IT staff to more accurately and cost effectively provision identified levels of service to the business. The processes ensure business and IT understand their roles and responsibilities and empowers the business units.

In the end, business units are justifying to senior management the levels of service needed to support business processes, not IT. And the built-in continuous improvement processes ensure that when business needs change, supporting IT services change with them.

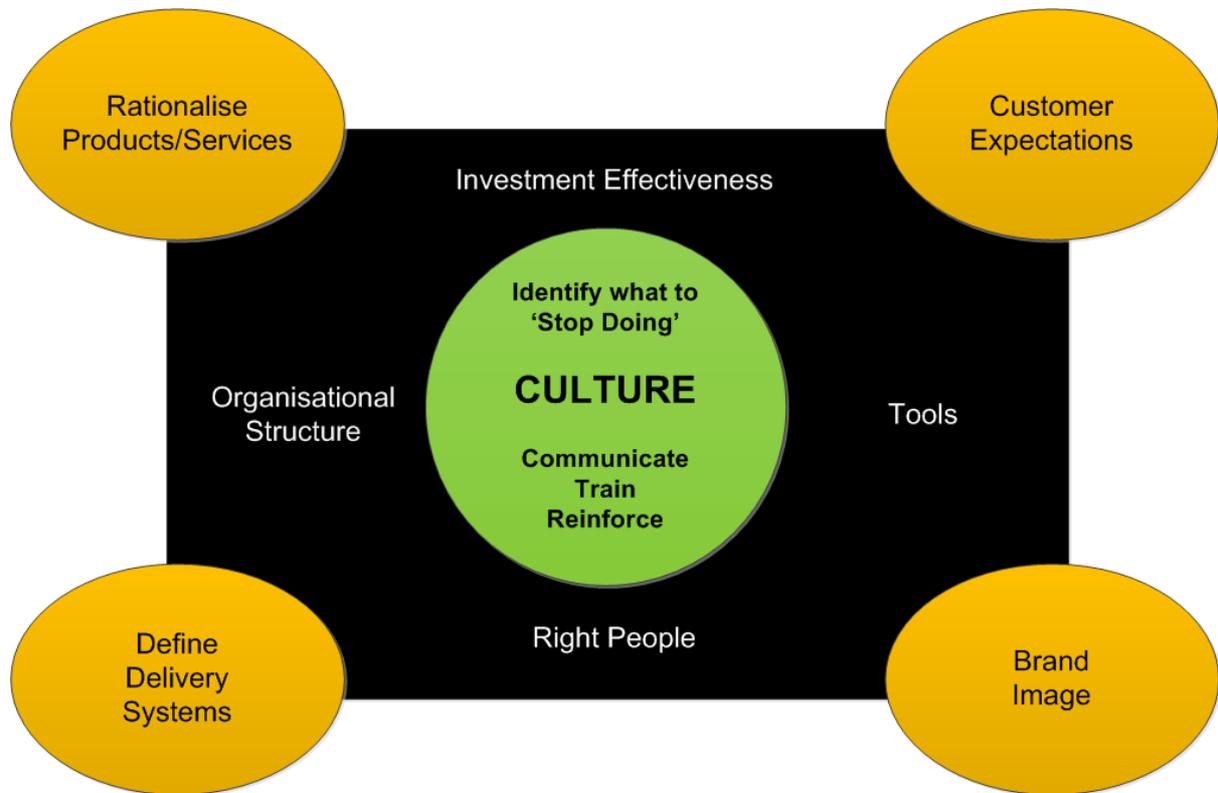
### **Service Level Management activities include:**

- Identifying business requirements by working with business units
- Establishing the scope of services, timeliness, hours of operation, recovery aspects, and service performance
- Translating business requirements into IT requirements
- Developing and maintaining a service catalogue, including costs for different tiers of service performance
- Performing gap analysis between business requirements and available services.
- Determining the costs related to services such that service goals satisfy business needs at a price the business can afford
- Drafting, negotiating and refining SLAs with the business units, ensuring business requirements are met and agreement from all parties involved
- Implementing SLAs
- Measuring SLA performance, reporting results and adjusting as necessary

### **Benefits of implementing Service Level Management:**

- Immediate benefits to implementing SLM processes include:
- Enabling a better understanding between business units and IT
- Setting more accurate service quality expectations and effectively measuring, monitoring and reporting service quality
- Clearly delineating roles and responsibilities
- Providing the necessary flexibility for business to react quickly to market conditions
  
- Creating more accurate infrastructure sizing based on clearly defining service levels
- Avoiding or mitigating the costs of excess or insufficient capacity
- Providing discipline in supporting internal or external sourcing of IT services

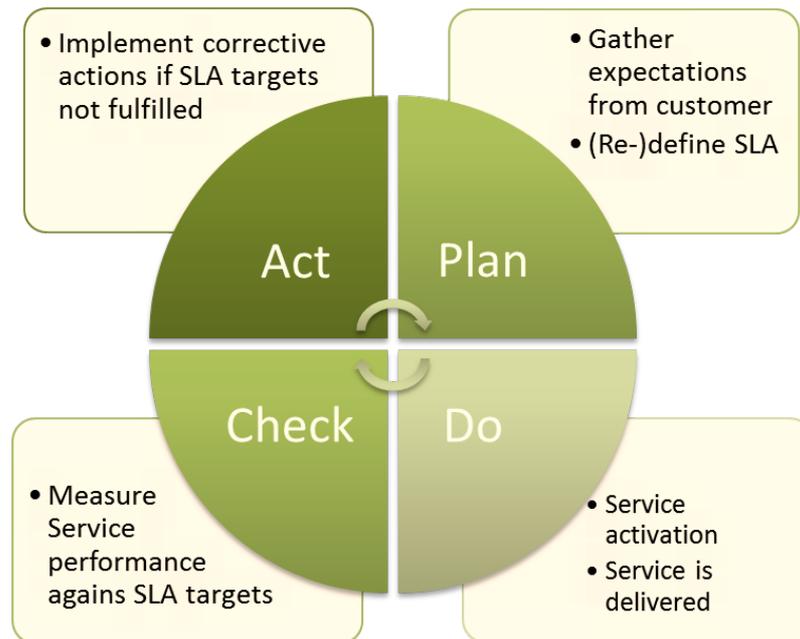
The diagram below illustrates the Service Management Model:



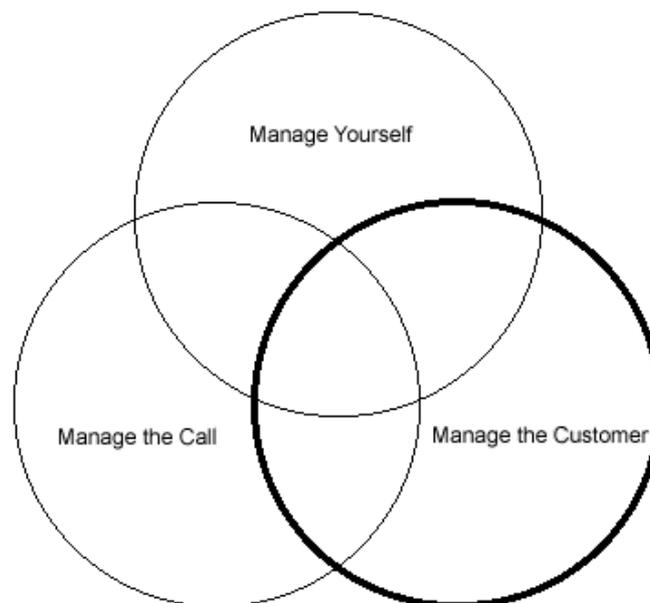
This document focuses on Managing Customer Expectations and includes some of the skill sets for managing the customer. Of course, skill sets will overlap into other areas.

This is intended as a general guide to help you place your skills sets into categories. Managing the customer is one of three domains that you must handle skilfully to be effective as a Customer Service Representative (CSR).

## Service Level Management cycle



## The Three domains of Success



## Manage the Customer

You manage the customer by:

- Making a good first impression
- Remembering that good customer service is defined by the customer
- Understanding customer expectation in part from your own experience as a customer
- Knowing the common customer expectations
- Knowing how to act to fulfil a customer's expectations

## First Impressions

As a customer service representative, you represent the department during this crucial first encounter. You hold one of the most powerful positions within the department. You have the power to make the first, and often lasting, impression on customers.

## You are a Customer, Too

You can use your own expectations of customer service as a model for the expectations of customers in general. Customer service may simply be an expression of the Golden Rule, which is to treat other people as you would like to be treated yourself.

## Perceptual Positions

The concept of perceptual positions is used to describe the different positions or viewpoints for organizing our perceptions. Linguistically, the three major positions are the first person, second person, and third person. It is also possible to take the perceptual position of a group (as in the first-person plural—"we;" etc.). Each position has advantages and disadvantages.

Position	Description	Value
<b>First position: (Self)</b>	From within yourself (i.e., seeing out of your own eyes)	This position is useful when you want to access your own feelings and thoughts. It is useful when keeping clear boundaries between yourself and your customer.
<b>Second position: (Other)</b>	From within the other person (i.e., seeing out of the other person's	This position is useful in understanding the other person and in learning

	eyes)	how you come across to the other person. It is useful for having empathy for your customer and being motivated to give the customer what they want.
<b>Third Position: (Observer)</b>	As an outsider (i.e., seeing the situation as if from outside)	This position is useful for gaining an objective perspective and for understanding how you are relating to another. It is useful for detaching from stressful situations and remaining calm with upset customers.

A successful CSR must know how to move between all three of these perceptual positions.

## What to Do

The goal of meeting the customer's expectations is a good general guide for customer service. But it does not tell you what to do specifically. Excellent customer service is a result of specific behaviours. Think of times when you received excellent customer service and use these examples to determine specific behaviours.

### Traits or Qualities versus Behaviour

A trait or quality is an interpretation of behaviour. Friendly, optimistic, and outgoing are examples of traits or qualities. However, if someone says that you are friendly, it really does not tell you what you did that they interpreted as "friendliness."

A trait or quality is less specific than a description of behaviour. For example, friendliness may be expressed through smiling, initiating contact with others, saying hello, etc. A behaviour is repeatable. It is specific enough that you know what to do.

## **Six Common Customer Expectations**

### Promptness

We live in an era of impatience. Customers do not want to wait for service. Even a short wait will deter most customers in most situations.

### Professionalism

Customers want a customer service representative that is knowledgeable about products and services, skilled at dealing with people, and responsible in performing duties. Customers want to deal with a professional customer service representative.

### Accuracy

Customers expect the CSR to get information and orders correct the first time. They do not want to have to deal with mistakes or correct the CSR's errors.

### Friendliness

Customers expect to be treated respectfully and politely. Customers want to be liked and to be treated in a friendly manner.

### Honesty

Customers want honest, straightforward information and responses. Most customers appreciate a CSR that will admit mistakes and work to correct them. A customer that believes he or she has been misled will stop doing business with the company and will likely complain. Honesty also includes follow-through on promises. Broken promises anger customers. Customers expect to be informed if a promise cannot be fulfilled as stated.

### Empathy

Customers expect understanding. They want a CSR who is willing to see their side of a situation, especially when there is a problem. They want a CSR that takes time to listen to them and hear them out.

**Customers expect fast, friendly, accurate service provided by a professional, honest, and understanding customer service representative.**

## **Expectations and Anticipation**

Your expectations regarding customer service serve as standards. These standards may or may not be met when transacting with a business or individual. In fact, you may anticipate, in advance, that your standards will not be met.

This is where you must manage the expectations by providing regular updates and reasonable resolution times without leaving yourselves open to criticism and failure to provide the required information that the customer expects.

It is always good practice to keep the customer informed even if there is no clear resolution time being provided, or just to be cautious if the provided resolution time fails.

Don't make promises that cannot be kept, this will only irritate the customer and cause distrust for any future events.