

## *How To Document An Ongoing Client Support Relationship*

# SERVICE CHARTERS

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Over the past two decades, organizations world-wide have proven the usefulness of *Project Charters* as a way to effectively launch new initiatives, large and small. The content and creation of this initiating agreement continues to be a central theme of Tryon and Associates training in Project Management.

These Project Charters capture original expectations for a specific undertaking and then grows as the project changes over time. Much of the popularity of the Tryon and Associates definition and template for Project Charters results from the range of issues raised and the business relevance of the resulting document. They are also easy to use, create and understand.

Project Charters are intended for initiatives that are *single-time* in nature – meaning that the project will be done once with a specific period of time and will have a well-defined beginning and end.

I have often been asked how to create a similar agreement for organizational work that is...

1. Performed for a defined client in a mutually beneficial environment,
2. Includes specific services and work, and...
3. Will be performed repeatedly over a set period of time.

Moreover, we were challenged to create a Project Charter-type document to replace a more rigid Service Level Agreement (SLA). While there are many interpretations for

SLAs, most assume a formal or pseudo legal structure with performance requirements and criteria. Our goal is to define a useful document that would capture the intent of a set of services agreed to between a service provider organization and their client – and retain the spirit that has made the Project Charter so popular.

I have titled the resulting template a *Service Charter*. While the actual layout of this document will likely be modified over time, the intent of this paper is to describe the general topics recommended for this agreement.

A Service Charter is a formal agreement between a service provider organization and their intended internal or external client. This document should describe the goals, scope, required processes and needed roles for this service to remain successful. Service Charters should be created when defined work will be performed on an ongoing basis for designated clients over a specific period of time.

The Service Charter is NOT intended to be a legal document but rather an agreement in principle that reflect the needs of all participants. This components of this agreement should include...

- Overview and History
- Service Goals
- Service Objectives
- Service Impacts
- Service Scope
- Service Processes

- Roles and Responsibilities
- Financial Agreement
- Agreement Duration
- Agreement Approval

Service Charters are most useful when the relationship between the client and provider organizations does not require formal, legal definition. This document should be the product of direct business discussions. It may also be used to identify the intent of an eventual contractual relationship if required.

### ***Overview and History***

This initial component of the Service Charter serves to explain, at a high-level, all of the content that will be found in greater detail throughout the balance of the document. All of the parties to this agreement should be identified here.

To help everyone understand the need and intent of the services proposed by this agreement, it is helpful to provide a brief history of why the client is seeking these services and why the service provider was chosen to respond. It is also helpful to identify the major classes of service provided under this Service Charter.

### ***Service Goals***

It is critical to any agreement to identify what a client organization is attempting to accomplish through this Service Charter. Any agreement covered by a Service Charter should be oriented toward some type of improvements for the client and possibly, the provider organizations. This section of the agreement should identify Service Goals that explain...

- The *target* for each specific desired improvement,
- The *type* of improvement anticipated (faster, cheaper, better and/or smaller), and

- The ultimate *result* expected from each goal.

These goal statements provide the general vision for the agreement between the client and provider organizations. Everything listed in the Service Charter should be oriented toward accomplishing these goals. Non-specific or generic goal statements cause as much confusion as missing goals and should be avoided.

### ***Service Objectives***

Service Goals, while they state the business intent for an agreement, are not provable or measurable. They are goals. To make each Service Goal more precise, we should identify one or more objectives that will indicate a provable or measurable validation when a goal is met.

Some of the more substantial objectives may be used as key indicators that will certify if the Service Charter is living up to the client and service provider's expectations. The total agreement should be reviewed by both parties on a regular basis to consider performance against the Service Charter and these objectives.

### ***Service Impacts***

Service Impacts provide a general list of actions or initiatives, beyond this actual agreement, that must be accomplished to make this agreement successful. This section identifies how the service provider and client organizations will utilize people, processes, technology and other business assets to fulfill this Service Charter.

Service Impacts may discuss organizational changes that must be implemented, processes that must be defined or products that must be purchased. Individual Service Impacts may result in significant single-time efforts that must be performed before the Service Charter may be executed. These

initiatives may result in a formal project with a *Project Charter*.

## ***Service Scope***

Any holistic definition of scope must identify both what is included and what is excluded from the focus of an agreement. The Service Charter is no different.

Service Scope should clearly identify the...

- Specific *services* that will and will not be offered under this agreement
- Business products or functions that will be *targeted* by this agreement
- Defined *roles* that will participate in performing the services

This information may be organized into a summary table that links to a more complete definition in the Services Processes and Roles/Responsibilities. Failure to identify specific services or targets excluded from this agreement will likely result in misunderstanding and future conflict.

## ***Service Processes***

One of the most significant components of the Service Charter is a list of the processes required to provide the services identified in this agreement. This area of the Service Charter should identify the distinct services a provider is expected to offer under this agreement. Some of these Service Processes may already exist in the organization while some may be new under this agreement.

Each of the specific services provided under this Service Charter should be described along with the condition or situation that initiates the service, who may request the service, what information is needed to launch a process, what will be performed when a request is received, what information will signal the completion of the service and who will receive that information.

These processes should be captured in summary form and may link to a more complete Service Process Definition using process (Business Event models or flowcharts) modeling and data modeling tools. When defining these processes, it may also be helpful to identify standard categories of work (types of software maintenance, types of phone support, levels of assistance) that should or should not be included in the processes.

It is also helpful if Service Processes specify common work that is NOT covered by this agreement. For instance, if the Service Charter is oriented toward phone support of a purchased application and does not include technology repairs, this should be clearly stated.

## ***Roles and Responsibilities***

While there is no sequence mandated when creating the Service Charter, let this be one of the later activities. The reason is that service relationships often require custom needs for highly unique people and organizations. Almost every Service Charter will have a fresh interpretation of the specific roles required to perform the services and what responsibilities will be required of each role.

Common Roles and Responsibilities could include a definition of the...

- ***Client organization*** that identifies the organizational or political entity who will be served by this relationship and as importantly, who will not be served under the agreement.
- ***Provider organization*** that identifies the organization or political entity who will be responsible to provide the services defined by this agreement.

- **Oversight roles** such as Account Managers or Client Managers who will be on both sides of the agreement to insure the relationship is operating as planned and can resolve any disagreements or conflicts. This role may also identify the people responsible, from both the provider and client organizations, who will verify that services are performed in an acceptable manner.
- **Support roles** identifying the actual skill sets and responsibilities needed to perform the services identified in the agreement. This role may identify the quantity and location of people needed to fulfill the services promised within the agreement.
- **End customers** who initiate the individual need for services and will work with the people in the support roles. This role may include specific people who are authorized to request services from the provider organization.

Roles and Responsibilities should be recognized and clarify all the human resources needed to satisfy the Service Scope.

### **Financial Agreement**

This element of the Service Charter is relevant only when the provider organization bills the client organization for the services identified within this agreement. This billing may be a true financial transaction or an internal paper transfer of funds.

The basis and process for billing should be identified in this area of the Service Charter. At minimum, this component should identify the basis for pricing (fixed price, volume discounts, cost-plus, per request and/or pass-through billings) along with

supporting detail that will be provided and billing frequency.

This component of the Service Charter should also identify the billing terms (net 30 days, on receipt) and how any payments should be made. It is also advisable to identify a process for resolving any billing discrepancies.

If this information is defined in a standard, external agreement between the provider and client organizations, a reference to that agreement may be all that is needed here.

### **Agreement Duration**

Service Charters are typically in effect for either a specific period of time or until a specific, observable condition is achieved. The duration for this agreement should be defined here. It would also be helpful to identify a process for extending this agreement when it expires.

### **Agreement Approval**

As with any agreement, a Service Charter becomes effective only when accepted by representatives from all involved parties. Each Service Charter should identify, by name, the members of the client and provider organizations who are authorized to initiate this agreement.

### **Final Notes**

This list represents a beginning point for a Service Charter. To meet the needs of each agreement, it will be common to add specific components or sub-divide listed components to show more detail.

While there is no absolute process for creating a Service Charter, members of both the client and support organizations must participate. It might be useful to start with the Service Goals before moving on to other

components. This will help clarify the intent of the agreement and provide focus for remaining components. Of the components listed, Service Scope, Service Processes and Roles/Responsibilities are the most involved and contain the greatest potential for detail.

The intent of any Service Charter should be to insure all parties understand and agree to the provided services. The act of creating each of these components will help clarify the true purpose of any agreement.

## ***The Tryon and Associates Approach***

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*The Tryon and Associates curriculum has been crafted just for this expanded audience with concise, focused material that provides the type and level of knowledge needed to perform these modern projects. **Managing Single-Time Efforts** proves valuable for every segment of an organization that is part of the project effort. Designated Project Managers, Team Members and interested management continue on to the planning, control and assessment tools of **Project Management Fundamentals**.*

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