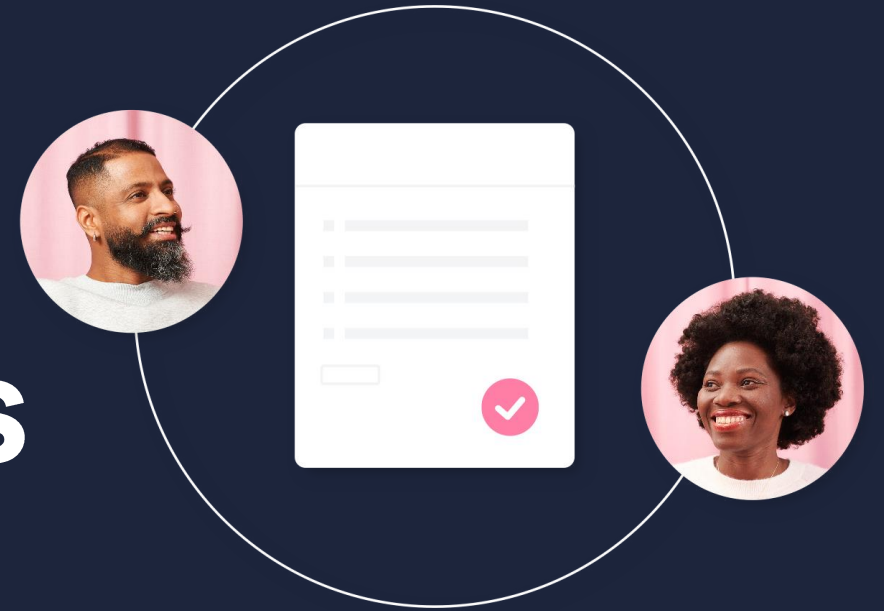


How to Implement XLAs to Agreements



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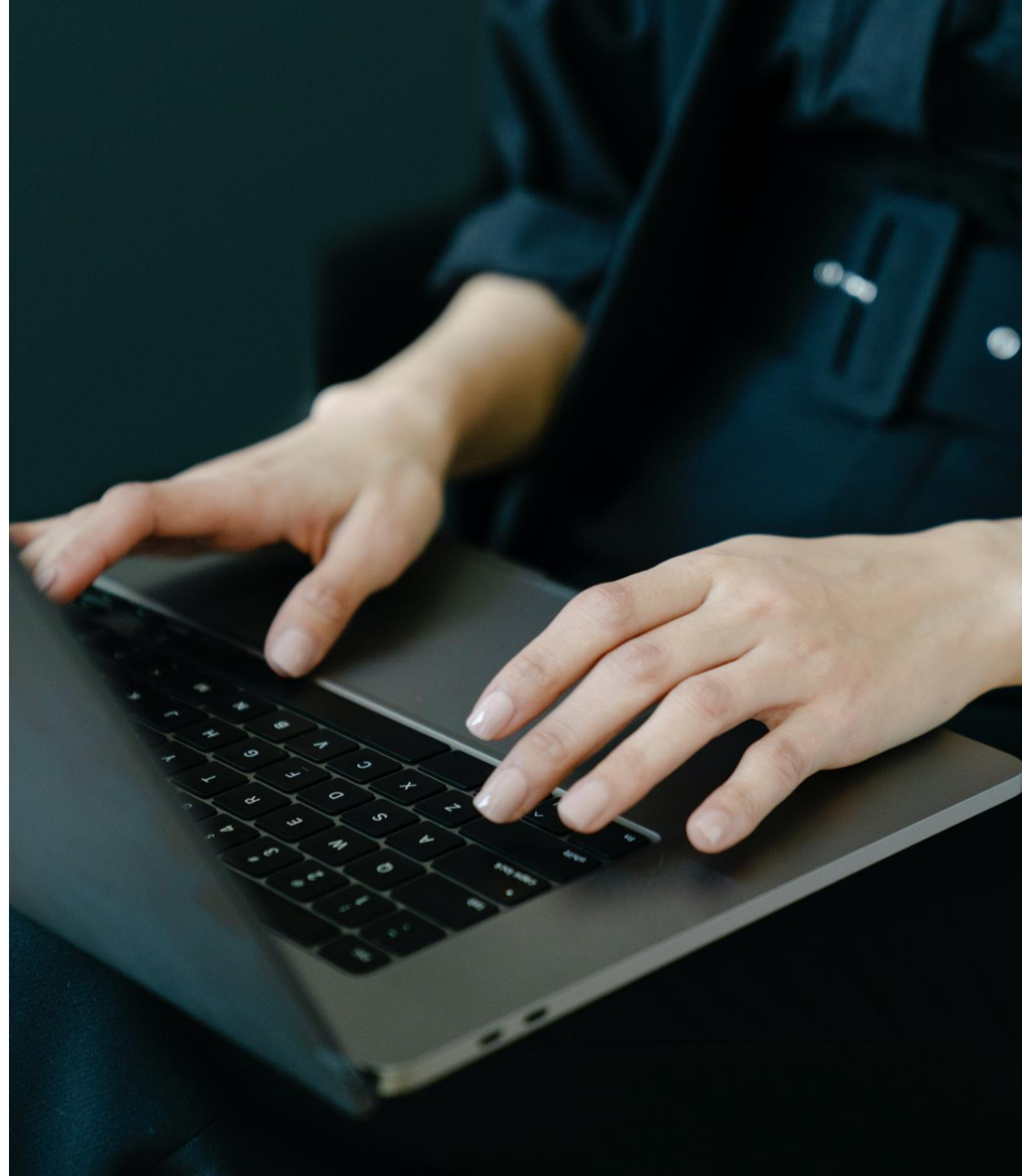




- Head Quartered in UK with offices in USA purely focussed on employee experience
- Work is delivered globally
- Company Mission is to change the way organizations report and measure the success of IT and enable them to base this upon employee/customer experience

We do this through:

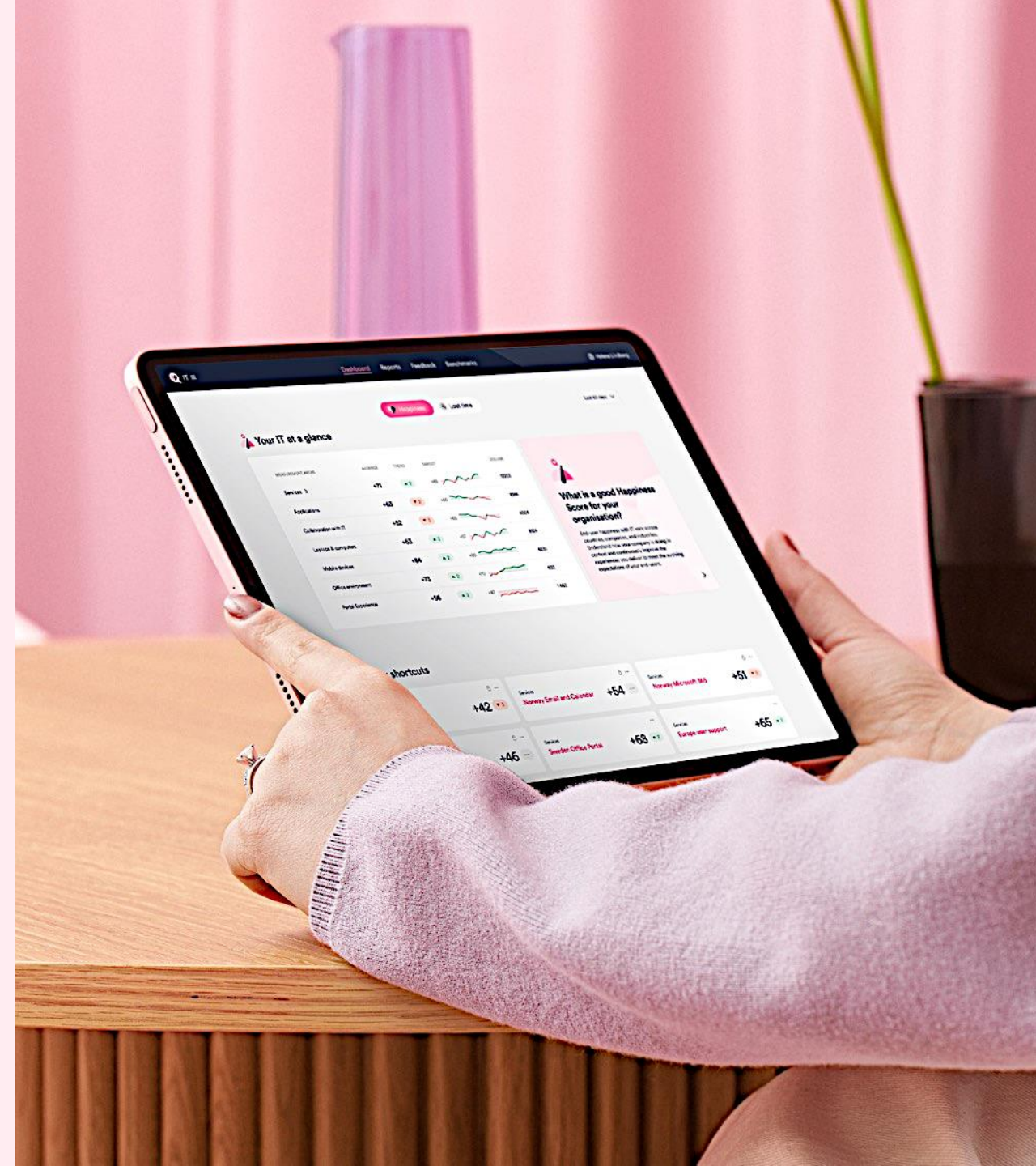
1. Accredited Experience Education including:
Experience Essentials, Experience Foundation and Experience Practitioner
2. Experience Assessments
3. Experience – XLA and XMO Consulting including:
4. Experience Tool Recommendations



HappySignals

We are specialists in helping customers in their IT Experience journey

- Experience Management tool, specially for enterprise IT
- HappySignals ITXM™ Framework best practice for experience management
- Benchmark data to help understand your service quality
- Helping IT to show value and love their work.



Intro

How important is IT end-user experience for your CIO / IT Director?



Source HappySignals customer survey, January 2023.
Question type: Multiple choice, single answer

Drivers for change



MSP's

- Differentiation = Win new customers. According to Gartner 2/3 of RFP's include XLAs
- Prevent customer churn
- Show created value and extend services
- Be more efficient

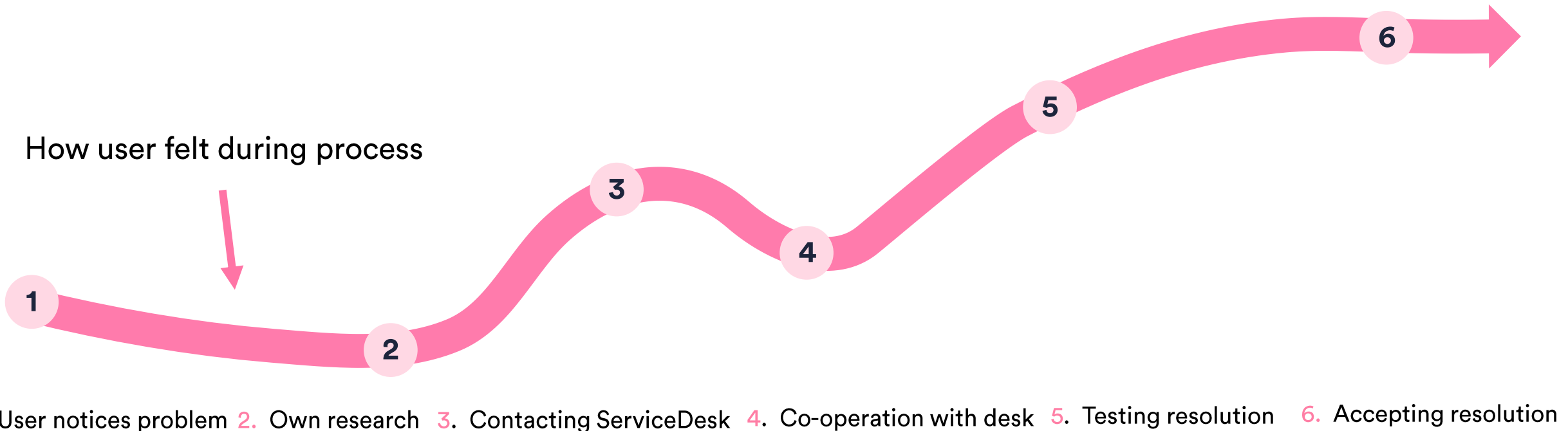
Enterprises

- The experience economy is also changing the demand and expectations for internal IT - SLAs are just not enough anymore
- Companies are moving to outcome-based IT
- Companies do outsourcing to have cost savings and use XLAs as “insurance” for quality



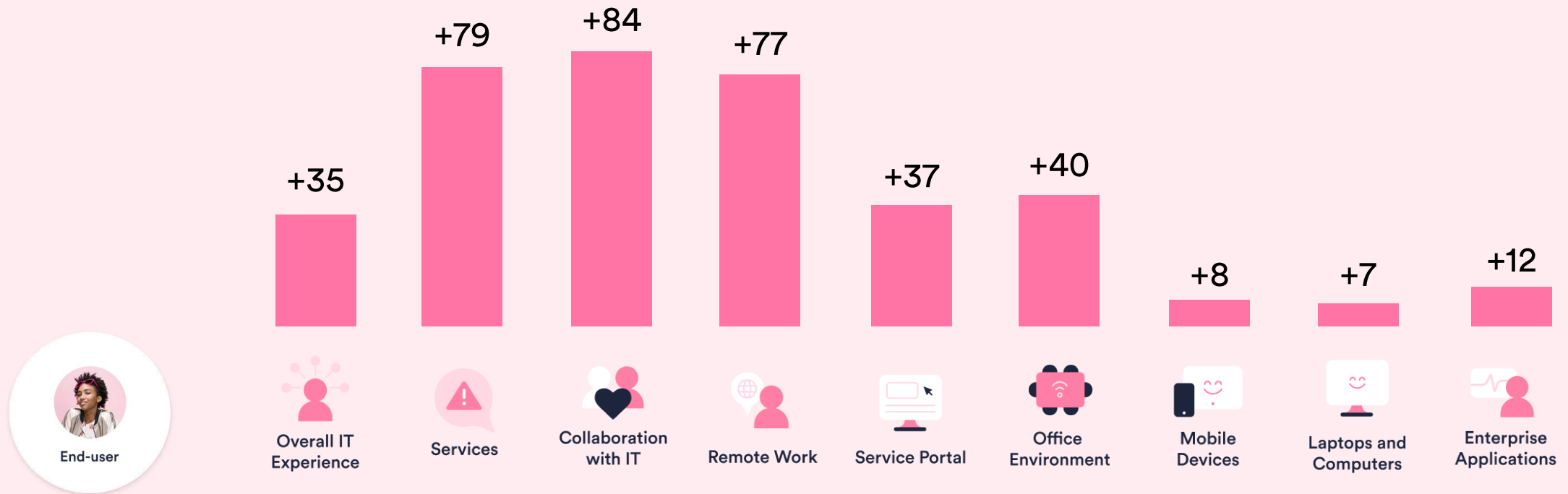
Example of what is experience?

Service Desk Experience is combination of all this. It important to understand how the whole experience was and what matters the most during this process.



2022 HappySignals IT Experience Benchmark

The end-user perceived experience and time lost with IT, based on 1,642,555 responses in 2022



2022 Overall IT Experience

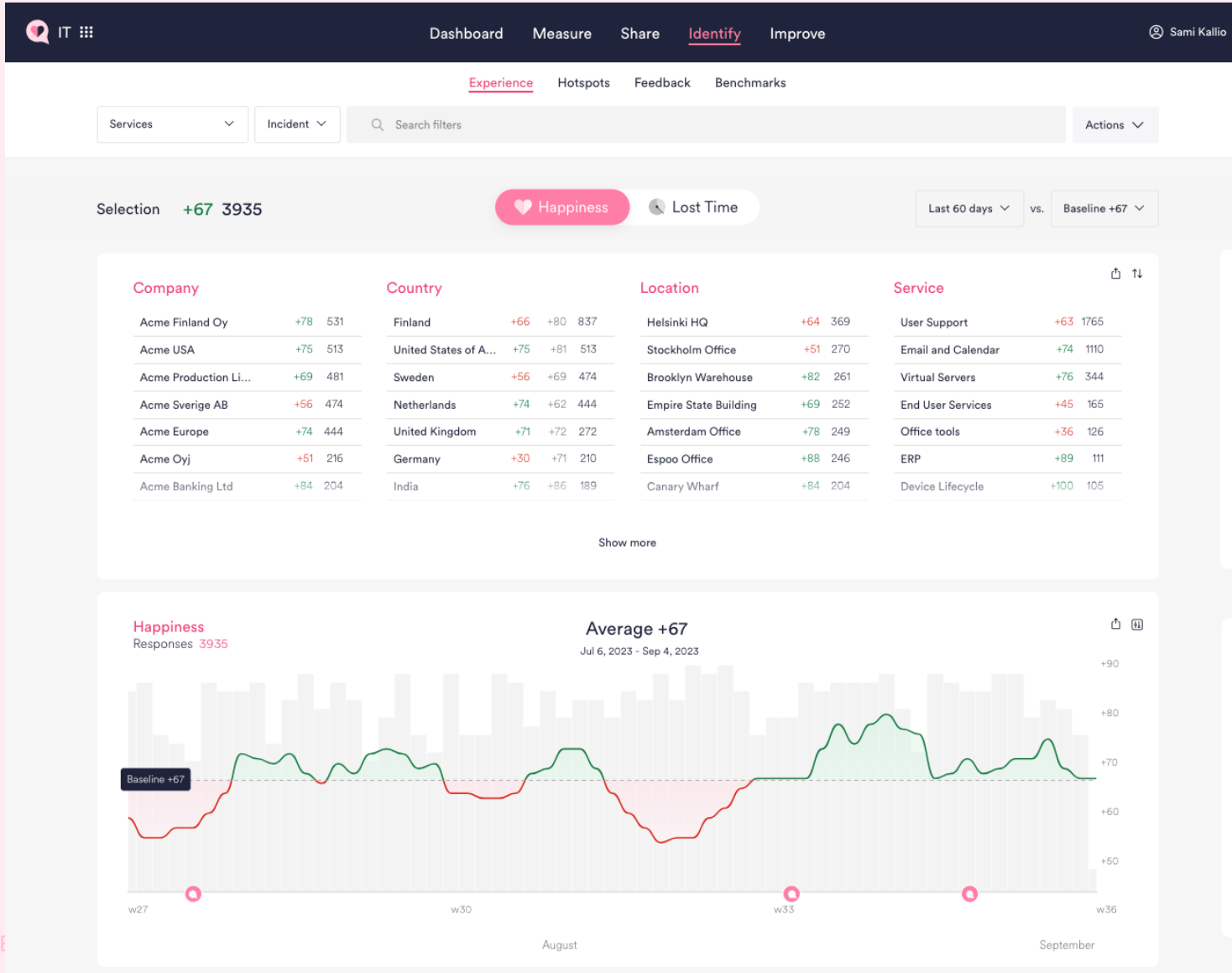
How happy are you with our IT?

NEGATIVE Feedback Factors	% of Neg
IT Support Services	69%
Computers & Equipment	29%
Work Applications	27%
IT Communication and Training	26%
Remote Work Tools & Support	22%
IT Personnel's Attitude	19%
Office IT Facilities	16%
Mobile Phones	11%
IT Security	5%

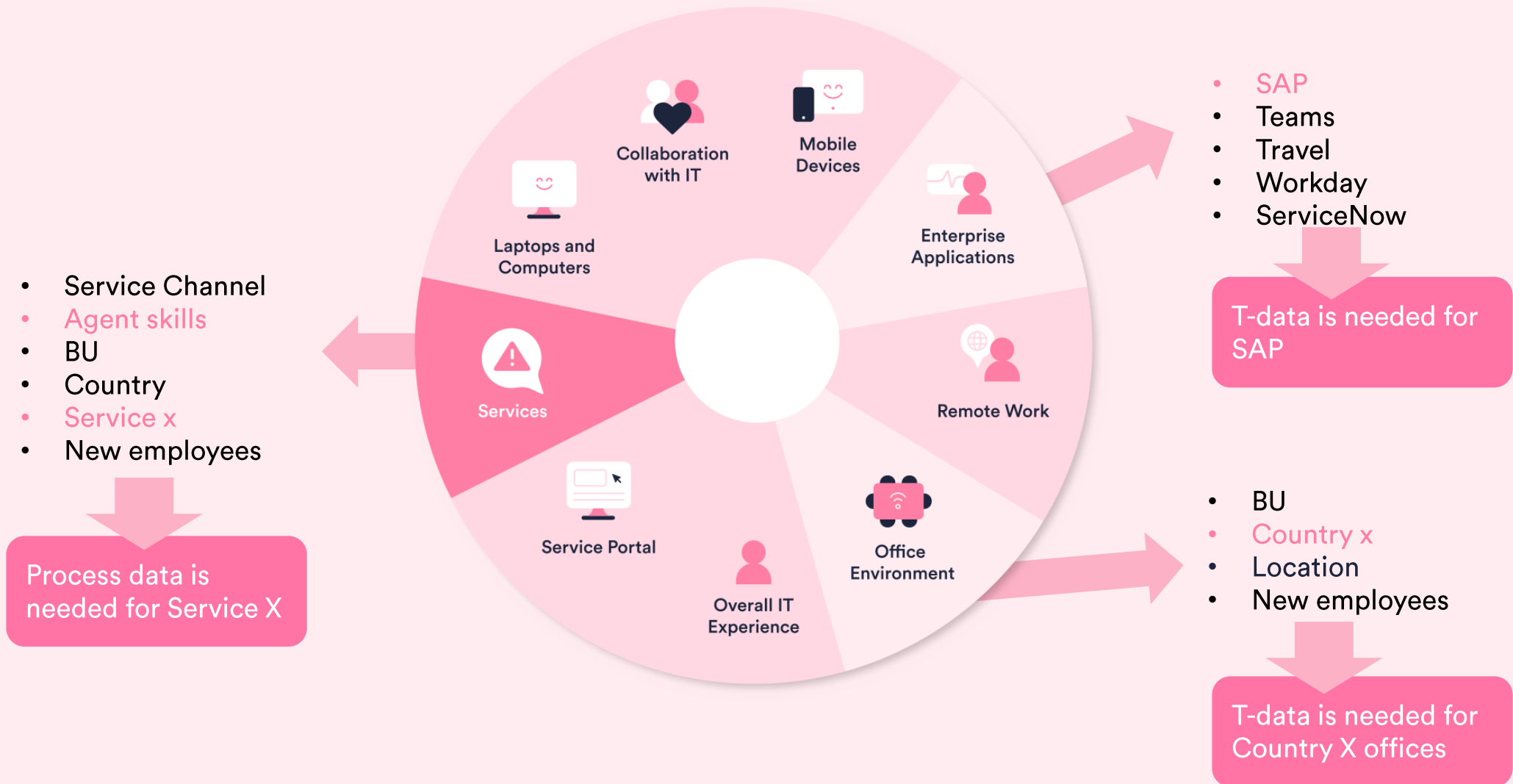
NEUTRAL Feedback Factors	% of Neutral
IT Support Services	35%
Computers & Equipment	32%
Remote Work Tools & Support	23%
IT Communication and Training	21%
Work Applications	21%
Mobile Phones	14%
Office IT Facilities	12%
IT Personnel's Attitude	8%
IT Security	5%

POSITIVE Feedback Factors	% of Pos
IT Support Services	60%
IT Personnel's Attitude	53%
Remote Work Tools & Support	35%
Computers & Equipment	30%
Work Applications	20%
IT Security	18%
Office IT Facilities	17%
IT Communication & Training	15%
Mobile Phones	12%

Operational data and XLA targets



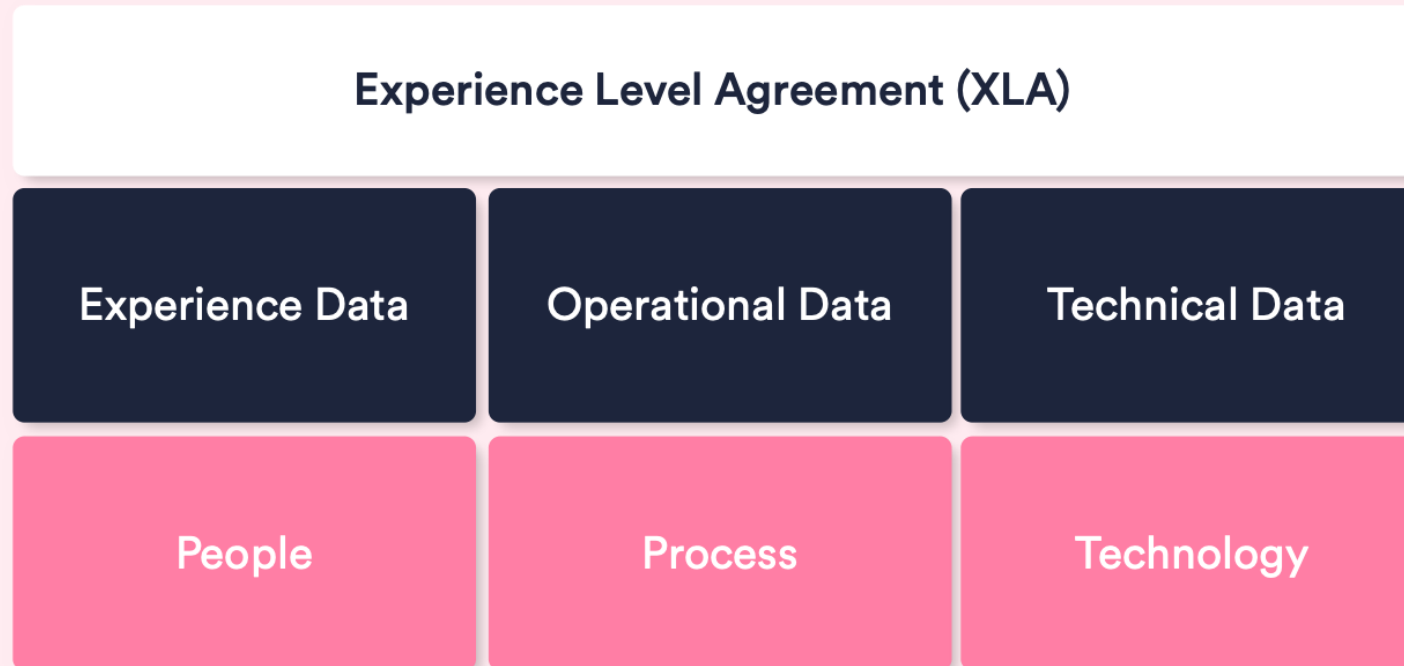
Selecting focus areas – focus on what matters to business



XLA definition

XLA definition

XLA = X-data O-data T-data



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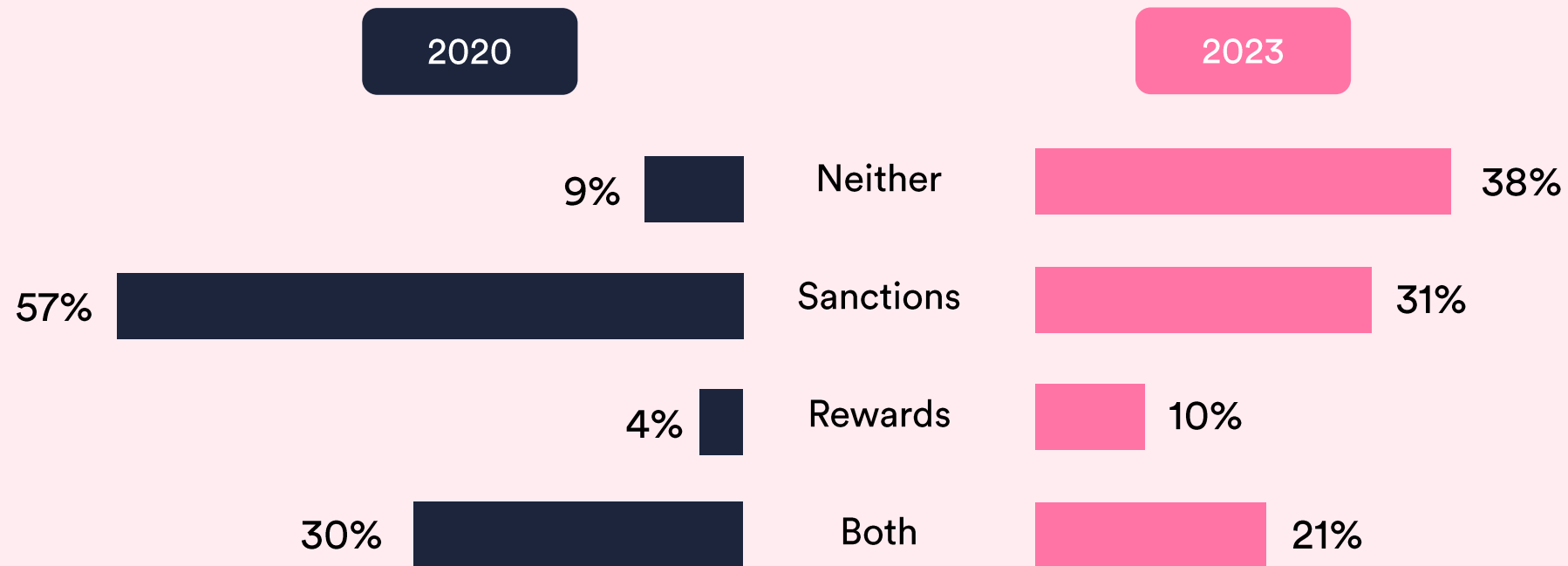
servicenow
ivanti  freshservice

nēxthink
Aternity  Lakeside



**Penalties and/or
rewards?**

In your Service Desk agreement, do you have sanctions or rewards linked to the SLA/KPI's?



Penalties

Please don't use SLA penalties

- SLA Penalties always force provider to do things that are not driving better experience
- Don't let procurement run your business

If you must use SLAs

- Use this structure to set XLAs being more important
- Also, a simple model with only step one can be used

1. If SLAs are not met but XLAs are improving, then all penalties are suspended
2. If SLAs are not met and XLAs are static or degrading, then SLA penalties are paid
3. If SLAs are met and XLAs are improving, then there is a reward
4. If SLAs are met and XLAs are static – there is no penalty or reward
5. If SLAs are met but XLAs are degrading, then penalties are paid.



Rewards

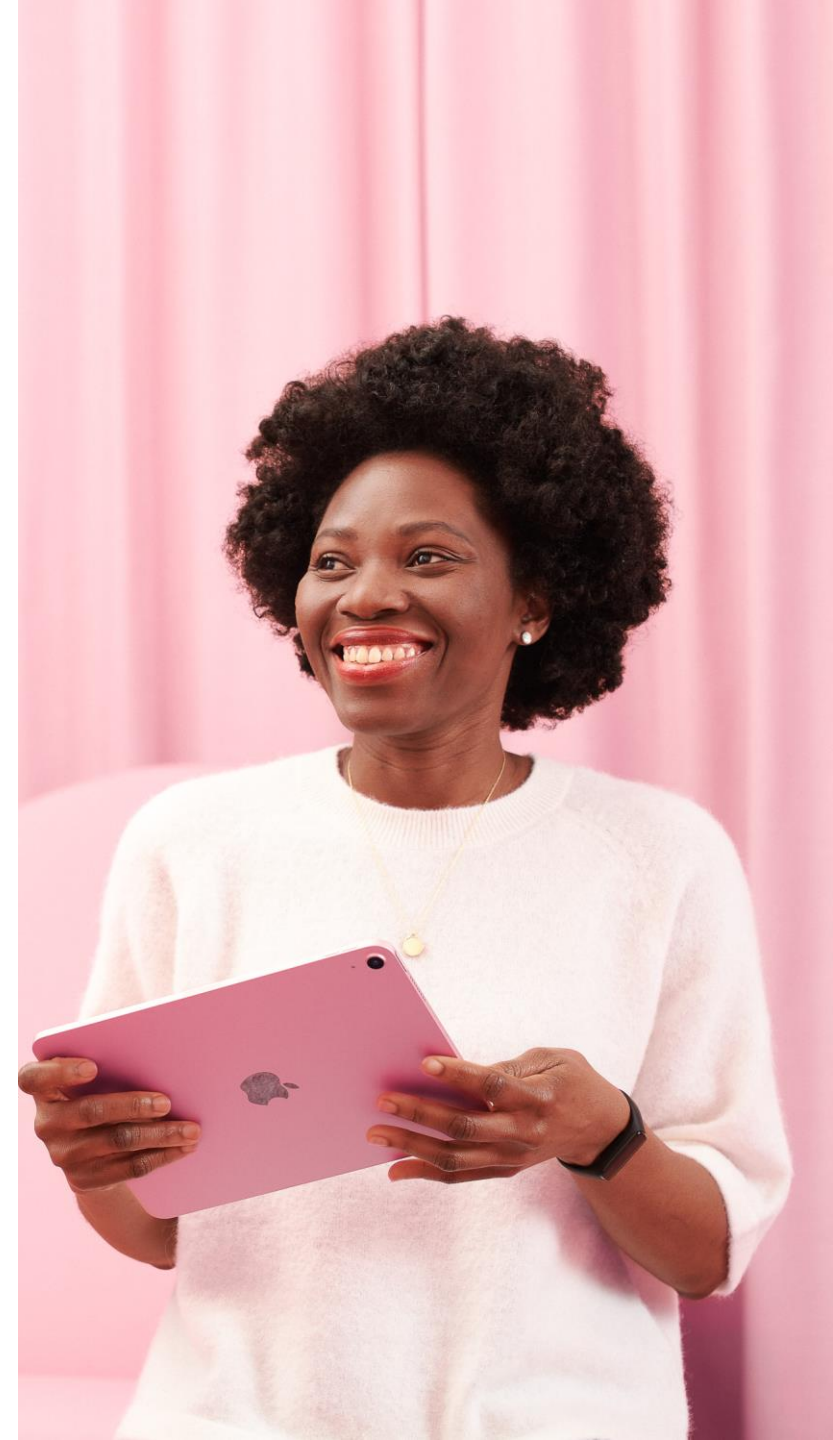
- Finance departments may have challenges providing rewards if there are no penalties
- Reward models should reward for experience improvements
- Experience is cumulative, so look at this over a set period, not on a monthly basis (quarterly / six monthly)
- The trajectory is key

Consider financial and not financial rewards

- Immediate Financial – additional monthly reward payments / higher target level = higher rewards
- Other – less reporting / less meetings / contract renewals / contract extensions / reference stories / intrinsic value motivations

Other considerations:

- This is a joint commitment, so it may involve joint rewards
- Think about a supplier XLAs – how do they make you feel?



**Options on how
to put XLAs to
agreements**

Commit to an XLA result

- This is typically the first option that comes to mind but it is **not recommended** for longer use.
- Employee Experience is influenced by things that the provider cannot influence (good and bad).
- One number Happiness Score or any average takes the focus too high.
- Not many organizations have set exact XLA target in agreements. If this is done, do it after having your own baseline (2 months) and update the target every 6 months.

Committing to certain XLA level can be a good model for managing MSP change.

- Measure the current level with existing provider.
- End user experience always drop after MSP change. Average drop is 30 points. Because of this set a target so that latest after 6 months employee experience is back in the old level.
- When the target is reached for two continuous months, it is forgotten. This should be transition target, not continuous target.



Commit to a Digital Experience result (DeX)

MSP

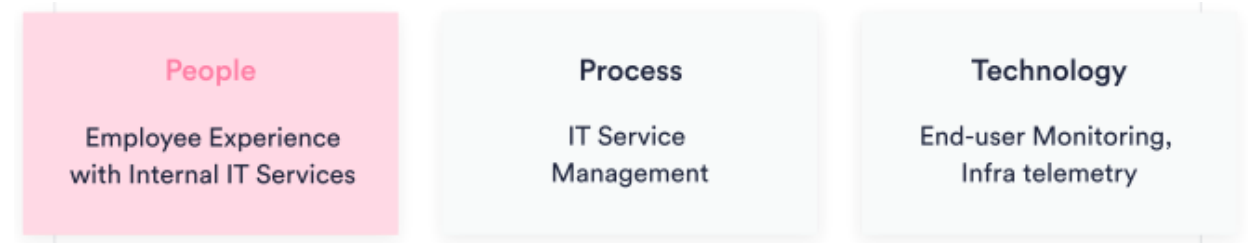
- MSPs often prefer this as it is made up of primarily objective data about how the technology performed.

However:

- T-Data is important but not an XLA
- You need to make sure you connect this to employee experience/happiness data (subjective)
- DeX scores can be configured / weighted by the MSP

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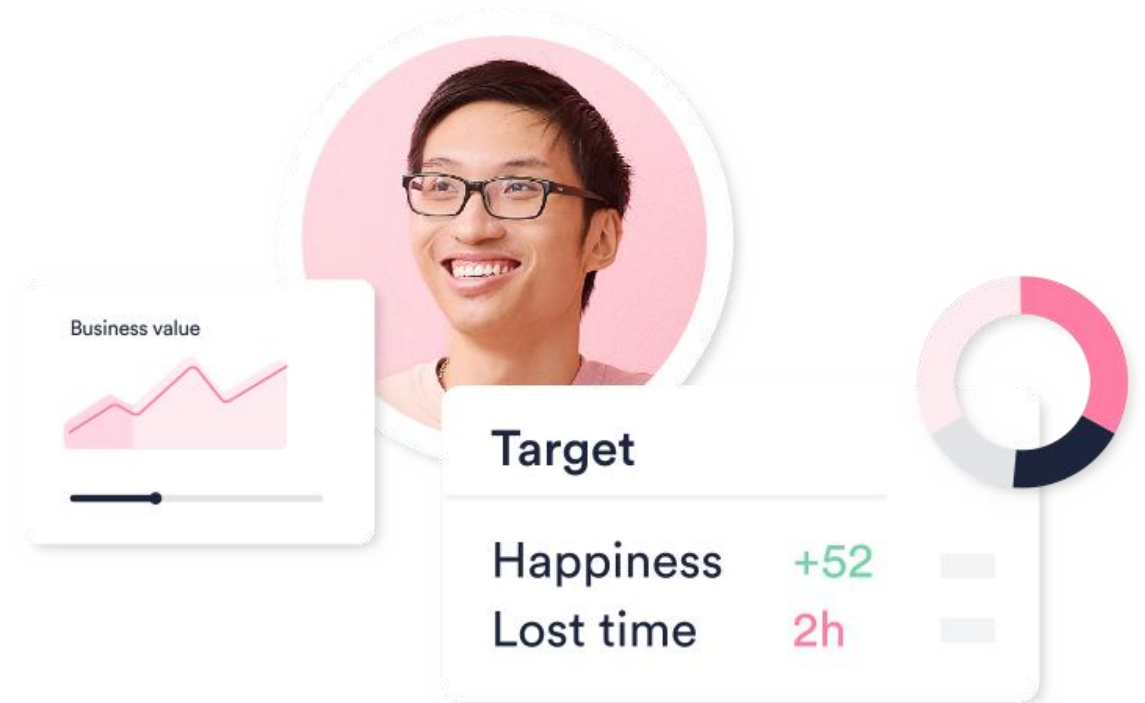
- To keep it simple and efficient in agreements focus on Experience and Lost time. If other metrics don't affect these, they don't matter to employees.
- In many areas you also need T-data to understand what to fix.



Commit to improving experience

In this option IT Supplier and customer commit to improving experience

- X% per 6 months or 1 year
- Or x score per next 6 months or 1 year
- This should be done after having own baseline measured. (Improving 5% from 80 is much harder than 10% from 50.)
- In HappySignals customer base the average outsourcing customer has started in happiness level 52 and average improvement has been 32%.



Commit to delivering the Experience Management Service

- XLA's are just the measurement. IT Experience Management is a way of working that makes sure Employees' voices are heard and used in IT decision-making
- From a good outcome perspective, it is more important to agree ways of working than exact target numbers
- Agreeing ways of working means commitment from both side not only for IT Supplier side.

IT Supplier

- Feedback is shared directly with ServiceDesk agents
- Continues meetings internally and with customers where the focus is ITXM
- Monthly reporting about scores and **improvement actions**
- Both parties follow the HappySignals ITXM progression model and agree on actions
- Delivery team will have ITXM certificates

Customer

- Customer is responsible to be part of solving possible collaboration issues with 2-3 level support teams
- Monthly reporting about scores and **improvement actions**
- Customers main team will have ITXM certificates and training
- Experience meeting with CIO every 6 months. Setting priority for the next 6 months. Main partner(s) included.

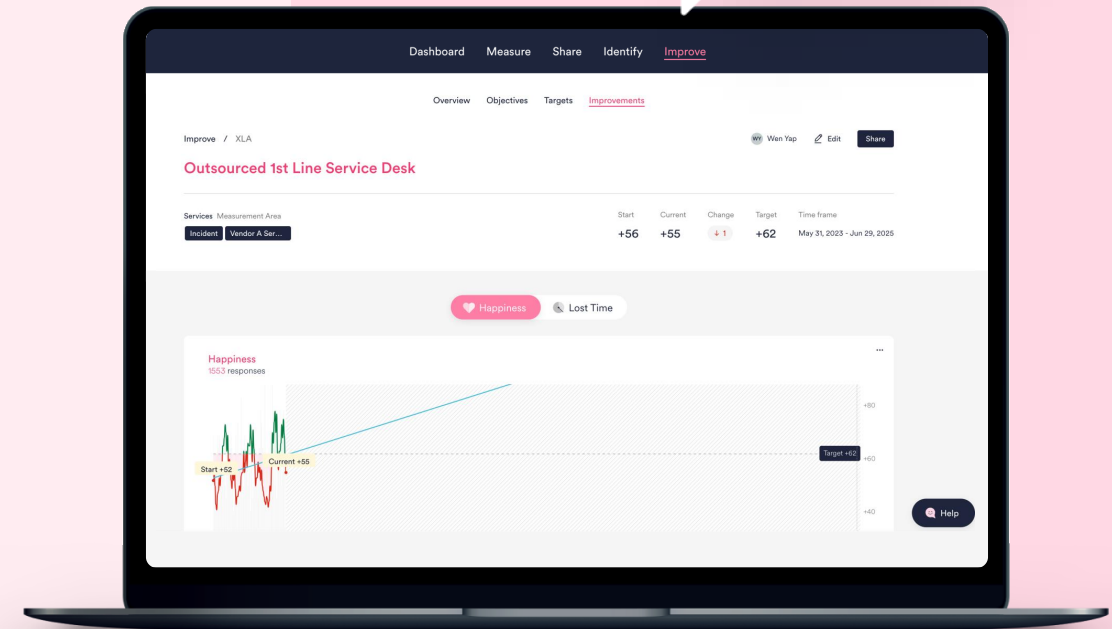


Recommendations

XLA 1.0: Drive collaboration

The main thing in agreements should be agreeing on the way of working rather than an exact target number

- Commit to ways of working (example of this earlier in this presentation)
- Focus on Experience and Lost time. If other metrics don't affect these, they don't matter to employees
- No Sanctions on SLAs, DeX score or even XLAs. Don't add rewards before understanding the baseline situation
- Agree how focus areas and XLA targets are set continuously (every 6 months). The focus should not be the overall scores, but selected improvements.



XLAs in HappySignals product



Dashboard Measure Share Identify Improve

Overview Objectives Targets Improvements

Improve / XLA

Outsourced 1st Line Service Desk

Services Measurement Area

Incident Vendor A Ser...

Happiness Lost Time

Happiness
1553 responses

Start +52 Current +55 Target +62

Help

XLAs Create new

Title	Start	Current	Change	Target	Owner	End date	
XLA for customer support in office in US	+43	+34	↓ 9	+50	HD	Dec 30, 2024	...
Outsourced 1st Line Service Desk	+56	+54	↓ 2	+62	WY	Jun 29, 2025	...
XLA for user support	+66	+66	→ 0	+75	HD	Dec 30, 2024	...
Global IT Experience	+38	+56	↑ 18	+74	HD	Dec 30, 2024	...
Overall IT Perception	+39	+43	↑ 4	+59	HD	Feb 13, 2024	...

Show inactive

XLA 2.0: Scorecard approach

- Progressive internal and external companies build XLA 2.0 models as this shows a balanced scorecard of X-Data, O-Data and T-Data coming together to measure experience
- Bridging these data points together is the heart of an XLA and can be visualized through our XLA Stack™ and XRM™
- This provides both what people feel with indications of why they feel that way – enabling you to focus on the right experience improvements
- These points can be weighted and scored to provide an accurate reflection of experience

Typical balanced score card example weights

- 60% x-data
- 30% t-data
- 10% o-data

With MSPs, this could be flexible starting out with a weighting to T and O data (more objective) and move towards X-data weighting throughout the contract.



Thank You