

Is Under the Table Work Undermining Your SLAs?

By: Ian S. Hayes, Clarity Consulting, Inc.

Setting SLA metrics realistically requires an accurate assessment of current IT performance. “Under the table work” skews the findings, results in incorrectly set metrics, and leads to user dissatisfaction with the outsourcer’s performance.

- A pervasive phenomenon, “under the table work” relies on personal relationships to get work done, diverting resources to assignments with dubious business value.
- When setting SLA metrics such as volume of work and responsiveness, “under the table work” loads are overlooked, leading to friction and user dissatisfaction down the road.
- Re-directing or eliminating “under the table work” before outsourcing results in more realistic SLAs, avoids misaligned expectations, and helps build harmonious relationships.

SLAs are wonderful tools to manage outsourcing relationships, but they are only as good as the metrics they contain. Set the metrics too high and the outsourcer is discouraged from meeting its commitments. Set them too low and users are unhappy with performance. Arriving at the right numbers requires understanding IT’s current, baseline performance. Attempts at quantifying performance are often foiled, however, by an insidious phenomenon – “under the table work.”

“Under the Table Work” – the Productivity Zapper

“Under the table work” is IT work done at the behest of business users, outside of official prioritization and assignment channels. A requestor in a business area calls an IT programmer to slip in a minor application change, or to ask a quick question instead of looking in the user manual. An innocuous practice on the surface, “under the table work” is a debilitating problem that:

- **Drains productivity.** Not only is “under the table work” difficult to detect and measure, it diverts resources from higher-value projects, lowering overall team productivity.
- **Misaligns priorities.** “Under the table work” circumvents normal review, prioritization and approval steps. Requests tend to reflect personal preferences with marginal business value, yet they displace or delay other, more worthy assignments.
- **Abuses relationships.** Requesters with personal relationships within IT are rewarded for “working the system” to get what they want, while those without connections must rely on the official process. Cultivating relationships assumes greater importance than creating business value.

- **Hurts IT's image.** Ironically, business areas often correlate willingness to do “under the table work” with good responsiveness, but then fault IT for its inability to meet schedules and budgets for major projects.
- **Becomes a self-fulfilling prophecy.** As official requests languish behind “under the table” requests, backlogs mount, encouraging requestors to use the backdoor route rather than the official process. Consequently, resource usage becomes more ineffective and overall productivity declines further.

When outsourcing is introduced, it exacerbates the problems created by “under the table work”. Since “under the table work” is rarely acknowledged, the work volume and responsiveness levels associated with it are not considered when negotiating SLAs or reflected in the final measures. In the short term, the outsourcer benefits by eliminating a significant portion of the work currently being done without having to lower prices or reduce staffing levels. In the long term, despite the outsourcer meeting or exceeding its commitments, business areas will become dissatisfied with service levels and feel they are getting shortchanged.

Correcting “Under the Table Work”

“Under the table work” is an ingrained practice that is tough to change, especially since the solution means disrupting personal relationships. Outsourcing can combat the practice, as its formal processes for work requests create a barrier to using the backdoor route. Shifting personnel also terminates the personal relationships that enable the problem. However, leaving the correction of the problem to the outsourcer is bound to make it unpopular from the outset. To get the relationship off on the right foot, IT organizations should explicitly deal with the situation beforehand, using this suggested approach.

- **Step One:** Scope the problem by determining the volume of “under the table work”, the requestors, and the types of requests. Encourage implementors to log all requests and record the true amount of time spent fulfilling each one. Identify the requestors to gauge the extent of the problem and the affected audience. Classify requests into at least 3 categories: valid requests amenable for official channels; requests ideally handled elsewhere; requests with questionable value. Add up time spent for each category of work, and use the totals to adjust SLA settings.
- **Step Two:** Analyze root causes that contribute to the behavior, such as an excessive backlog or burdensome request process, and determine a fix for each one.
- **Step Three:** Break the direct tie between requestor and implementor by routing all requests to a single point such as a help desk for official logging and assignment.
- **Step Four:** Remedy underlying problems to ensure that the business receives good service and responsiveness once the “under the table” link has been cut.

- **Step Five:** With management support, ensure that all parties adopt the new processes through a combination of incentives (better service) and enforcement.

Action Items

- Accurate SLA settings are key to promoting harmony and satisfaction in an outsourcing engagement, and ensuring fair pricing.
- When establishing volume and responsiveness metrics, account for all “under the table work,” which can comprise a significant portion of IT labor.
- Don’t leave it to the outsourcer to fix the problem. Users will resent the provider and SLA settings will be skewed.
- Take the steps recommended in this SmartTip to assess and cure the problem before embarking on outsourcing.

About Clarity Consulting, Inc.

Clarity Consulting, Inc. is a management consulting firm specializing in Information Technology strategies and emerging trends in areas such as outsourcing, process redesign, efficiency enhancement, productivity and service level metrics, service offering development, and IT product and service positioning..

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