



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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Service Level Agreements foster customer understanding

Nothing is more important to a business than meeting its customers' expectations. As the Defense Finance and Accounting Service continues to evolve along the model of a business organization, it recognizes that meeting or exceeding customer expectations is critical to its success.

As DFAS client executive for the Air Force, Zack Gaddy, director, DFAS Denver, is responsible for ensuring that DFAS and its customer expectations for services are defined, mutually accepted and met. The DFAS Service Level Agreement program is a new tool to help achieve these objectives.

An SLA provides a single, written framework for the relationship between DFAS and a primary customer, such as a major command. One SLA will transcend all DFAS external customer business lines: Accounting Services, Commercial Pay Services and Military and Civilian Pay Services. Client executives (field organization directors are the client executives for most major command customers) initiate and negotiate SLAs on behalf of DFAS. In addition, the Air Force Accounting and Finance Office director and Gaddy further review and approve SLAs between DFAS and the Air Force. DFAS expects to have an SLA with each major command and SAF/FM in force by the end of fiscal 2001.

Each SLA will describe the services DFAS provides its customers. It will also contain various "housekeeping" provisions normally found in contractual agreements. These address points of contact, amendment and renewal terms, resolution of disputes, etc.

The heart of an SLA, however, is a table of agreed-upon service-level objectives. A service-level objective describes a goal DFAS must achieve that is critical to the success of its customer relationship. For example, a reduction of unmatched disbursements (payments for which a valid obligation, such as a contract, cannot be located) could be one such objective.

Each objective listed in an SLA has an associated measure of success. This is a statement of intent explaining how DFAS will define and track its success in achieving the objective. In the previous example, the measure of success might be a 75 percent reduction in unmatched disbursements from the September 1998 baseline total.

Another important provision of each SLA is a list of customer responsibilities. This is a further effort to ensure DFAS and its customers understand and share common expectations with regard to their relationship.

Customer responsibilities represent the agreed-upon minimum actions the customer must undertake to reasonably enable DFAS to meet the stated measures of success. One such responsibility might be forwarding receiving reports to DFAS within a specific timeframe.

The SLA program will strengthen the DFAS -- Air Force partnership. It has the potential to enhance cooperation, reduce misunderstandings and identify problem areas at an early stage.