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Difference Between SLA and OLA

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Key Difference – SLA vs OLA

The key difference between SLA and OLA is that **an SLA is a contract between a service provider (supplier) and the end user (customer) that outlines the level of service expected from the service provider** whereas **an OLA defines the interdependent relationships in support of an SLA**. SLA and OLA are very popular and widely used in [outsourcing](https://www.differencebetween.com/difference-between-insourcing-and-vs-outsourcing/) (<https://www.differencebetween.com/difference-between-insourcing-and-vs-outsourcing/>) and in specific industries such as in Information Technology sector. OLA is developed based on the nature of the requirements specified in the SLA. Both SLA and OLA can be informal or legally binding contracts.

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What is SLA?

An SLA (service level agreement) is a contract between a service provider ([supplier](https://www.differencebetween.com/difference-between-supplier-and-vs-distributor/) (<https://www.differencebetween.com/difference-between-supplier-and-vs-distributor/>)) and the end user ([customer](https://www.differencebetween.com/difference-between-internal-and-vs-external-customers/) (<https://www.differencebetween.com/difference-between-internal-and-vs-external-customers/>)), which outlines the level of service expected from the service provider. SLAs can be developed for internal as well as external use. SLAs are developed in order to ensure that the outcome of a task or a project will be completed on agreed time with the expected level of quality. The below metrics are specified in an SLA.

- Service description
- Reliability, responsiveness and agreed performance level
- Procedure for reporting problems
- Monitoring and reporting service level
- Consequences for not meeting service obligations including penalties payable

- Escape clauses or constraints

Given below are the different types of SLAs.

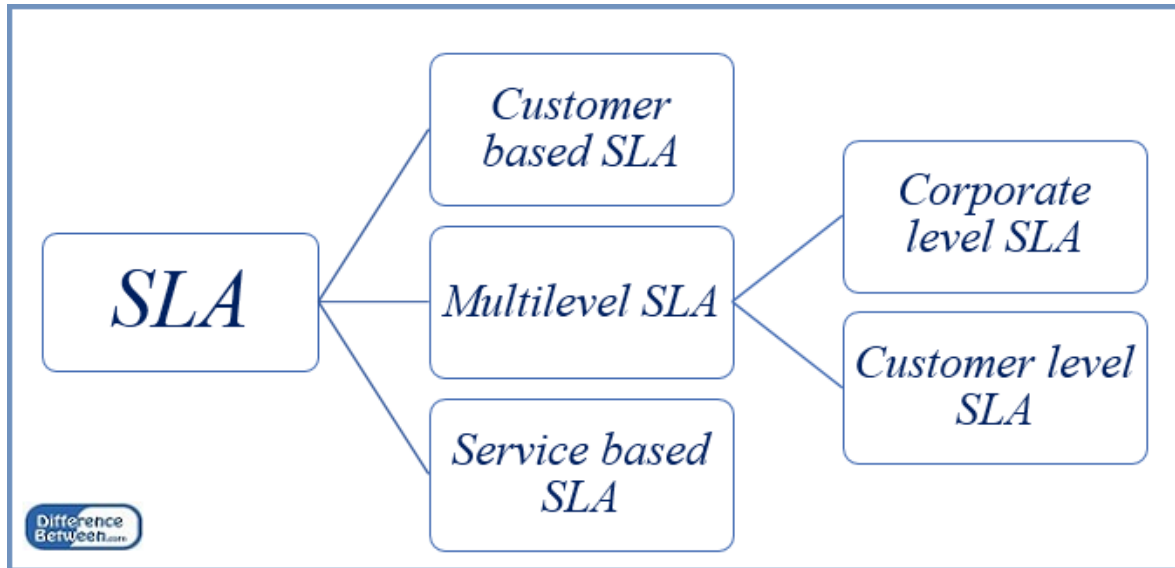


Figure 1: Types of SLA

Customer based SLA

This is an SLA that covers all customer groups along with the services they use. For instance, an SLA between the service provider and the finance department of a large organization for the services such as finance system, payroll system.

Multilevel SLA

In a multilevel SLA, the agreement is divided into various levels where different customer requirements of those who use the same service are addressed. Multilevel SLA's can be at the corporate level or at the customer level. Corporate SLAs address general service level management issues affecting the organization as a whole whereas customer level SLAs address issues specific to a customer group

Service based SLA

This is an agreement for all customers using the services being delivered by the service provider; for instance, implementing an email service for the organization.

Technical definitions such as 'mean time between failures' (MTBF), 'mean time to response' (MTTR) or 'mean time to recovery' (MTTR) are used in SLAs along with parties responsible for paying fees and reporting faults.

What is OLA?

An OLA (operational level agreement) defines the interdependent relationships in support of an SLA. The agreement defines the responsibilities of each internal support group toward other support groups, including the process, expected quality and the timeframe for delivery of their services. The purpose of the OLA is to help ensure that the supporting activities that are performed by various support teams meet the expected standards in SLA. In other words, OLA describes how departments will work together to meet the service level requirements as intended in the SLA. Therefore, the OLA is developed based on the intended criteria for SLA. The components in OLA are largely similar to that of SLAs.

What is the difference between SLA and OLA?

SLA vs OLA

SLA is a contract between a service provider (supplier) and end user (customer) that outlines the level of service expected from the service provider.	OLA defines the interdependent relationships in support of a Service Level Agreement.
Focus	
SLA focuses on the service part of the agreement.	OLA is an agreement in respect to maintenance and other services.
Nature	
SLA is a service provider-end user agreement.	OLA is an internal agreement.
Technicality	
SLA is a less technical contract.	OLA is a highly technical contract.

Summary – SLA vs OLA

The difference between SLA and OLA mainly depends on their focus. SLA focuses on the service part of the agreement. OLA is an agreement in respect to maintenance and other services. Overall, the objective of both ultimately is the same since both attempt to complete a task successfully. Businesses should spend sufficient

time and consider all the relevant factors before preparing an SLA or OLA since they can assist in taking recovery options in a negative outcome such as claiming a penalty if the expected results are not achieved.

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