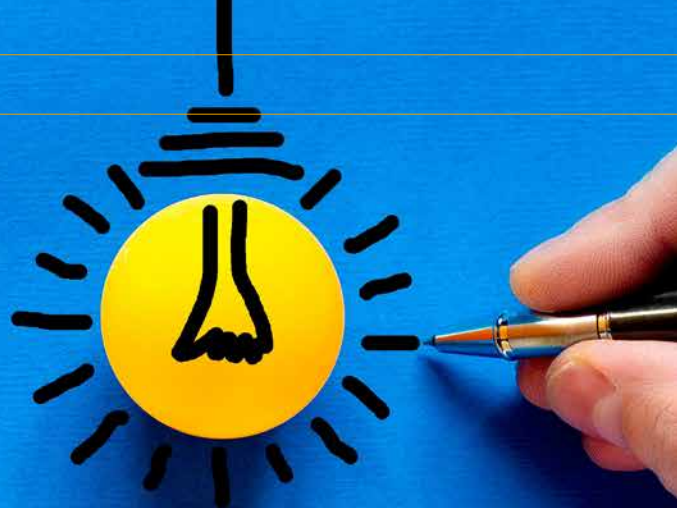


Application of SLA in the Construction Fastener, Hardware & Metal Components Industry

AGREEMENT

LEVEL

SERVICE



Introduction

Construction fasteners generally refer to components used to connect and secure building materials, primarily including bolts, nuts, screws, and structural anchors. They help make steel, timber, and concrete structures stronger and safer. The industry that manufactures and supplies the metal components required for buildings is commonly referred to as the building hardware industry. Its core product categories include door and window hardware, bathroom and sanitary hardware, and structural fastening components. Major types of building hardware products include:

1. Door and window hardware: including door locks, hinges, sliding rails, handles, sliding-door components.
2. Bathroom and kitchen hardware: including faucets, bathroom racks and accessories, and kitchen storage hardware.
3. Structural and fastening hardware: including bolts, nuts, screws, nails, steel structural components, construction fasteners, as well as bonding adhesives, silicone sealants, and other types of filling and sealing materials for different applications.

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Major types of construction fasteners include bolts and nuts used to support steel-frame structures or join steel components; screws and nails used to fasten and connect wood panels, light-gauge steel frames, or plastic panels; right-angle, swivel, and sleeve-type scaffold couplers used to secure round steel pipes for construction scaffolding; anchors and rebar couplers used to secure reinforcing bars or structural components to concrete walls or foundations; and various anchor hardware and fastening components used to attach equipment and materials to concrete structures or permanently secure them to buildings.

For the construction fastener, hardware, and metal component industry, quality requirements extend beyond manufacturing and product quality. High standards are also expected for construction or installation, repair, and maintenance services. Therefore, in addition to pre-sales product presentation and service, the quality of construction or installation, repair, and maintenance services provided during and after the sale has become an important consideration between product and service providers and their customers or end users. A clearly defined Service Level Agreement (SLA) provides a formal commitment to service quality, effectively reducing gaps in expectations and building trust. The foundation of any stable business partnership is that both parties must have a clear and shared understanding. Simply put, **an SLA is essentially a “commitment document” between a product or service provider and its customers or product users. It clearly specifies the level of service quality that the company promises to provide. An SLA can be a formal contract signed between a service provider and a customer, primarily defining the scope of services, performance metrics, and compensation for non-compliance. It can also serve as an internal standard requiring product and service providers to review and evaluate their own service levels.** Such service-level standards generally cover three key areas:

- Service Scope: What services will be provided?
- Evaluation Standards: Which indicators will be used to evaluate service performance? Common SLA metrics include service availability, error rates, security, and mutually agreed-upon Key Performance Indicators.
- Accountability: What happens if the agreed service standards are not met?

SLA metrics can define how customers and service providers work together and clarify their respective responsibilities. They can also be adapted as KPIs for evaluating the performance of individuals or teams responsible for products and services within the industry.



Core SLA Metrics for the Construction Fastener, Hardware and Metal Components Industry

When establishing core SLA metrics, many factors need to be taken into consideration, including:

- Using metrics to motivate performance.
- Selecting metrics that can be easily collected and quantified.
- Establishing appropriate benchmarks as the basis for contract implementation.
- Trying to reach consistent quantity and quantification using manageable metrics. Too many indicators can make monitoring difficult.
- Ensuring that all metrics are defined clearly and unambiguously.

For products in the construction fastener, hardware, and metal components industry, the core SLA metrics focus on response and lead times, product yield, construction or installation, repair and maintenance, contractual liability, and compensation mechanisms.

Taking screw and fastener products as an example, common core SLA metrics include:

- **Order Lead Time:** Usually divided into the lead time for standard products and the lead time for customized or special-specification fasteners.
- **Quality Yield:** The agreed quality acceptance criteria.
- **Customer Complaint and Nonconformity Response Time:** The initial response time after receiving notification of a product defect, as well as the deadline for submitting corrective and preventive action reports.

For building hardware products, common service and delivery indicators include:

- **Delivery Time:** Standard delivery days after order confirmation or performance against project-specific construction site delivery schedules.
- **Response Time:** The response time for customer inquiries, on-site inspections, or customer complaints.
- **Spare Parts Availability:** Inventory availability and allocation speed for commonly used hardware components and replacement parts.
- **Product Yield:** The durability, corrosion-resistance standards, and specification conformity of hardware products leaving the factory.
- **Warranty and Repair Services:** On-site construction or installation, repair or maintenance, and completion time in the event of product failure or damage.
- **Quality Standards:** Compliance with relevant building hardware installation specifications and construction inspection and acceptance standards.

The above core SLA metrics should also appropriately consider the following characteristics:

- **Service Availability:** For example, measuring service during specified operating hours or evaluating an e-commerce platform that accepts orders around the clock.
- **Error Rate:** The allowable range of errors defined by the relevant SLA metric.
- **Safety:** Product safety during construction, installation, repair, or maintenance of construction fasteners and hardware components.
- **Response-Time Allowance:** For example, time-zone differences in international markets.

Using SLAs to Turn Report Data into Customer-Retention Leverage

An SLA is a company's written commitment to service speed and quality. **In a customer service context, it translates into specific figures that answer two fundamental questions: "How quickly will we respond?" and "How quickly will we resolve the issue?" Common indicators include First Response Time, Average Response Time, Resolution Time, and SLA Compliance Rate. These metrics are particularly applicable to B2B and B2C construction fastener and hardware companies, as well as trading and service providers that want to use data-driven management to improve product and service team performance and increase customer retention.** Given the division of responsibilities within an industry supply chain, SLAs can also serve as a tool for monitoring supplier and supply-chain performance. End users can periodically evaluate supply-chain suppliers over a fixed period. Through data analysis and statistical evaluation of core SLA metrics, companies can identify when it may be necessary to replace upstream or downstream suppliers, or determine whether suppliers that continuously fail to meet requirements should retain their qualification to provide construction fastener and hardware products, construction or installation services, repair, or maintenance services.

Most core SLA metrics for construction fastener and hardware products are closely related to actual construction, installation, and on-site delivery operations. They cannot necessarily be achieved simply through customer-service reception or the introduction of AI-powered instant responses. Therefore, when companies establish SLA metrics internally or jointly define and confirm them with customers or supply-chain partners, three key principles should be considered:

1. Align Expectations and Avoid Misunderstandings

An SLA requires service providers to clearly define the services they will provide, allowing customers to know exactly what they can expect to receive. This eliminates ambiguity, reduces quality-related disputes, and prevents customers from feeling that they have been misled.



2. Clarify Responsibilities

An SLA is a written commitment that specifies the performance targets that must be achieved and the procedures for handling non-compliance. This encourages service providers to take greater responsibility while ensuring that everyone understands their respective roles and obligations.

3. Build Trust

With a formal SLA commitment in place, both parties are accountable for fulfilling their promises. This provides customers with greater peace of mind because they have a written commitment from the supplier or supply-chain partner. It not only makes cooperation more secure but also helps establish long-term trust between the parties.

An SLA may appear to function as a “guarantee” that strengthens relationships between customers, service providers, and supply-chain partners. In reality, however, it is not a foolproof solution. SLA commitments are highly sensitive and can have significant impacts. If they are not properly managed, they may instead create various risks and challenges.

Lack of Transparency: Without SLA management capabilities built into B2B and B2C platforms, it can be difficult to track the division of responsibilities, deadlines, and performance metrics. Without real-time transparency, supply-chain suppliers can easily miss performance targets and even violate SLA requirements.

Difficult to Modify: As business requirements, technologies, and customer expectations evolve, SLA metrics should also be updated accordingly. In reality, however, many SLA frameworks are designed too rigidly. Once revisions become necessary, the modification process can be time-consuming and complicated, slowing down service improvement.

Lack of Clarity: If an SLA is prepared hastily or has not undergone a comprehensive review by all relevant stakeholders, its content may be ambiguous or open to different interpretations.

Fastener, tool,
component SLA's
focus

- ➔ Response & lead times
- ➔ Product yield
- ➔ Construction or installation
- ➔ Repair and maintenance
- ➔ Contractual liability & compensation

By improving the management of SLA metrics through existing B2B and B2C platforms, these risks can be significantly reduced. Such platforms can provide real-time monitoring, automated workflows, and more efficient supply-chain collaboration. ■



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