

ABSTRACT

This research presents the service level agreement strategy to improve service performance and supplier relationship. Currently this causes loss for the company. The idea is to combine the concept of service level agreement strategy to the real situation of business requirement.

The service level agreement strategy is a useful method to solve the current problem of poor service performance from service suppliers. The objectives for this research are identification of the problems, setting up the regulation of service level agreement and implementation based on service level agreement.

Results indicated that the service level agreement strategy can improve the service levels and develop supplier relationships. It could provide also more opportunities for management to develop on the criteria of service level agreement which leads to effectiveness to manage suppliers and efficiency of supply chain management.

