

STRIDING AHEAD

ENSURE COST EFFECTIVE DELIVERY OF YOUR IT SERVICE



Capacity Management In today's I.T. environment

Peter Brooks
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Why Metrics?

“

You cannot **manage** what you cannot **control**.

You cannot **control** what you cannot **measure**.

You cannot **measure** what you cannot **define**.

”

“Understanding capacity is like understanding your strengths. It provides you with a competitive advantage and shows you whether your precious Rands are invested in the right assets”

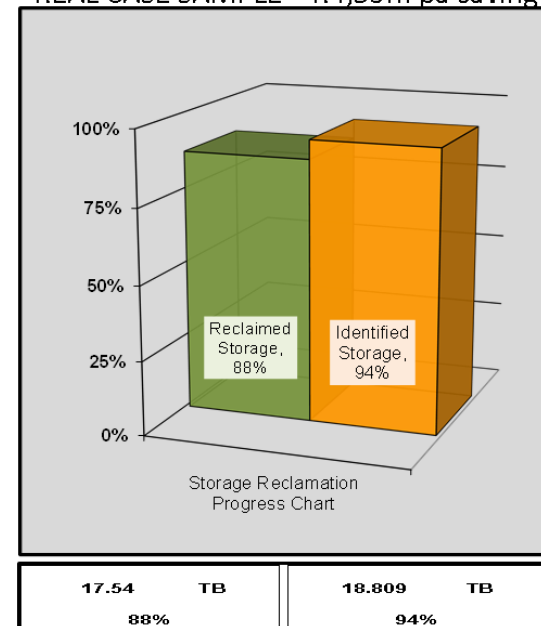
Why Capacity Management?

- **Help with Demand Management – Patterns of Business Activity (PBAs)**
- **Identify hotspots and problems**
- **Information on resource usage – Pro-active**
- **Determine Future Requirements – Forecasts**
- **Impact Assessment – change and growth**

Why Capacity Management?

- Resource Optimization and Consolidation
- Formal process ownership and applicable accountability
- Responsible method to make informed decisions on spending (Reclamation)
- Governance
 - align capacity to business value
- Governance
 - Business & IT Continuity Planning

REAL CASE SAMPLE – R4,53m pa saving



Capacity Management Metrics – Good

| ITIL Process | Metric | Measure | ITIL Module | Description |
|---------------------|--|-----------------|-------------|--|
| Demand Management | Accuracy of Demand Forecasts | % Accuracy | Strategy | Accuracy of forecasts of future demand for services. |
| Capacity Management | Capacity Downtime | Hours | Design | Incidents that occur as a result of inadequate capacity |
| Capacity Management | Cost of SLA capacity breaches | Outage Cost | Design | Estimated cost of SLA breaches caused by poor service performance. |
| Capacity Management | Over Capacity | Capacity % | Design | Over Capacity of Service Management |
| Capacity Management | Customer satisfaction with capacity mgmt | Satisfaction | Design | Customer satisfaction with capacity mgmt |
| Capacity Management | Cost-effective capacity | %cost-effective | Design | The Capacity Plan documents the cost-effectiveness of all services |

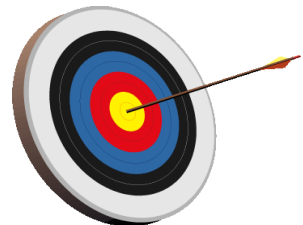
Capacity Management Metrics – poor context

Resource Capacity Metrics must always be balanced, viewed in conjunction with each other e.g. memory utilization + paging rate

| ITIL Process | Metric | Measure | ITIL Module | Description |
|---------------------|---------------------|---------------|-------------|--|
| Capacity Management | Memory Utilization | Capacity % | Design | Memory utilization @ 100% continuously |
| Capacity Management | User response times | Response time | Design | User response times |
| Capacity Management | Queue length | Queue length | Design | Queue length of "devices" |
| Capacity Management | CPU Utilization | Capacity % | Design | CPU utilization @ 100% continuously |

Why Capacity Management sometimes fails

- **Capacity Management often misunderstood**
 - because financial impact to the Business unknown & underestimated
- **Difficult to grow the skillset required for a good Capacity Manager & impossible to 'buy in' specific business experience**
- **Planning from a technical perspective & not aligned to Business & Service**
- **A short-term attitude is evident with regards to I.T. Planning**
- **No accuracy in future business growth projections**



Metrics - considerations

Best Practice

Valuable metrics:

Support business decisions

Inform

Knowledge; not just data or information

Prompt action

thresholds -> alert -> capacity change

'One meaningful report is worth 100 irrelevant reports'

Vic Richards (IT Programme Director – Butterfield Bank – Bermuda)

Questions??

- **How can we sell Capacity Management to our board?**
- **What policy, planning & process is required to manage capacity?**
- **How important are business models, eg cost models, to planning capacity?**
- **Who manages capacity?**
- **What role do tools play?**
- **How can we grow Capacity Managers for the future?**
- **Is the CMS important to enable proper Capacity Management?**