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DITY™ Newsletter

The workable, practical guide to Do IT Yourself™
Capacity management on a budget

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Capacity Management is one ITIL process that daunts virtually everyone. It is often "left to last" because of its (apparent) complexity and scope, but at its heart, Capacity Management answers just four simple questions:

1. What to upgrade,
2. Why to upgrade,
3. When to upgrade, and (working with Financial Management)
4. How much it will cost to upgrade

The "what, why, when and how much" question sounds easy enough, but how does one get started?   Well, as you know, the **Business** uses IT **Services** which consist of IT **Resources**. For example, to place orders the Sales staff (**Business**) might use SAP (**Service**) which consists (in this example) of a Unix Server, software and networking (**Resources**). With this in mind, there are then three perspectives:

- Business -- predicting changes in capacity required to support the business
- Service -- understanding the usage patterns of IT services
- Resource -- monitoring the utilization of Configuration Items

The four questions and three perspectives come together to form a Capacity Management process

framework. Like most ITIL processes, Capacity Management does not require significant investment in product or people to get going. Simple office productivity tools like a Word processor, Spreadsheet or Database are all it takes to get real benefit from Capacity Management. The following 7 steps can deliver effective Capacity Management benefits at minimal costs using existing products and people:

1. **Determine Vital Business Functions (VBF)** Working with Customers and the Business, identify VBF, for example, "Ordering". Create a spreadsheet listing VBF and Customers. To start, choose just one VBF -- the one identified by Customers and the Business as most important. Circulate to gain acceptance by Customers and the Business. Service Level Agreements can help this process.
2. **Identify Services Underpinning VBF** Working with IT, identify those IT Services and thier CI's that underpin the selected VBF. For example the VBF "Ordering" might rely on "SAP" services which uses a server, software and networking. If there is no formal CMDB, talk to other IT staff to identify dependencies. Update the spreadsheet to add the relationships between CI's IT Services, VBF and Customers.
3. **Create a Workload Catalog** For the IT Services underpinning the VBF gather forecasts from IT and Customers. Use business terms such as number of new sales people who use "SAP", how many transactions they might perform and at what hours of the day. Update the spreadsheet to include this information.
4. **Investigate Monitoring Capability** Locate sources of utilization data for the selected Configuration Items -- common sources are equipment logs, systems and network management platforms, and reports already available. If there is no utilization data, choose another CI. Utilization trends become the "daily drivers" of Capacity Management. Remove any CIs you can't monitor from the spreadsheet.
5. **Create and Maintain a Capacity Database** Store utilization data for monitored CIs in a Capacity Database (CDB). The CDB can be anything: Excel, Access, etc. Weekly, or even daily, examine utilization and make predictions as to when more capacity will be required; or excess capacity released, based on Service Level Requirements in Service Level Agreements.
6. **Product a Capacity Plan** After a few weeks or months, begin a compiling a Capacity Plan -- a document that lists the current level of resource utilization, service performance and future requirements. This is a living document, and will change as the IT and Business environment changes. Review and release at least once per quarter. The Capacity Plan also becomes a part of the IT budget process.
7. **Raise Requests for Change** As needed, develop recommendations for the purchase (or reassignment) of capacity. Working with Financial Management, document the costs of your proposals. Raise Requests for Change (RFCs) that answer the "what, when, why and how much" of Capacity Management.

These seven steps can get Capacity Management going and form the basis for creation of a sound formal process. Following these steps can also deliver real benefits including beyond predicting the "what, when, why and how much" of capacity upgrades. Additional benefits include: enhancing relationships with Customers, suppliers and other IT groups and encouraging a proactive IT culture.

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