

Aligning IT resource with the business requirement for Argos



A case study in Capacity Management

EXECUTIVE SUMMARY

In today's customer-focused enterprises IT is no longer simply a department that adds value by streamlining business processes. Indeed many customer-focused businesses are built on the premise that IT will continually deliver a competitive commercial advantage by reducing costs while driving enhanced customer service values.

However, as Argos discovered, unless the IT resource and investment keeps pace with demands of internal customers, the commercial expectations of the business may become unsustainable. The unbalanced set of expectations of Argos business managers was putting pressure on both personnel and systems, and risking system "outage" that would not only incur remedial costs, but also diminish the customer experience.

Argos' decision to commission a Capacity Management study played an essential part in pre-empting potential problems. The challenge was to align the IT resource with the demands and expectations of its commercial ambition.

As this case study shows, a simple Gap Analysis to compare current processes with industry best practice guidelines (in this case ITIL) quickly pointed the way forward for more robust IT delivery and enhanced internal communication.

At that stage the business was then in a position to institute processes for capacity planning and investment. The result was that business managers were better enabled to communicate with technical managers in the IT department, and both sides developed a broader and more realistic understanding of the commercial requirement.

The Business Requirement

B & M was engaged by Argos after an informal capacity planning review had identified deficiencies in the process. Specifically the business wanted to gain a better understanding of the Capacity Management process with a view to assessing the most appropriate use of funds and maximising value of investment.

Technical Environment

Argos runs its IT on OS/390, AIX and OS/400 platforms.

Establishing the 'Status Quo'

The initial investigation involved a series of interviews with Argos personnel, along with the review of a large number of documents relating to capacity planning. The information gathered was then compared to ITIL best practice Capacity Management guidelines as the basis for a Gap Analysis.

The ITIL Model

The real issue for Capacity Management is to make the connection between computer usage and business activity - "best practice" balances resource and resource development with expected delivery, both now and in the future.

Essentially the IT department needs the ability and framework to communicate meaningfully with the business, and the authority to request the resources mission-critical to the effective running of core business functions.

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Case Study

In return, commercial managers need to appreciate that increasing demands on the IT system will involve investment and upgrades if the business is not to suffer negative impact. Within the constraint that the IT infrastructure should always be appropriate to the business requirement - in terms of both service quality and the ability to withstand component failure - the business needs to be prepared to invest for a sustainable future.

The Argos Scenario

While the skills and energy of the technical services team at Argos were exemplary, no formal Capacity Management process was in operation, even though there was a general acceptance that this was an important function. More specifically we discovered:

- A lack of specific training and lack of awareness of key issues
- The plans that were produced were not sufficiently business focused
- No coherent and consistent planning across platforms
- Staff time available was not always adequate for this function
- No formal communication between capacity planners and other groups - developers and business areas who could provide business level input
- Business continuity requirements were not included.

The Outline Proposal

The B & M view was that Argos already had most of the resource required to comply with best practice in this area. The vital need was to improve information flow between IT and the business, and to increase levels of Capacity Management within the IT function.

Specific Recommendations

There were three immediate steps that B & M were able to recommend that Argos carry out:

- Appoint a full time Capacity Management specialist to own the implementation of best practice standards and the provision of training for those involved across the function
- Define a Capacity Requirements Template (an internal SLA) for collecting business-level information that would include Business Continuity requirements and produce formal technical strategy statements for the major IT environments
- Devise regular customer satisfaction surveys using trained 'service quality assessors'.

Conclusions

The real function of Capacity Management is to be able to formulate and answer "what if" questions quickly, accurately and intelligibly. To ensure that this can happen, capacity planners and administrators must take an active role in the development and delivery of services in order that resource planning is carried out to realistic and best practice standards.

In approaching the challenge, Argos is now able to quickly redefine the Capacity Management agenda throughout the business and is able to establish realistic expectations against which IT can deliver.

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