TEAMQUEST®

Selling the Capacity Upgrade

Case Study

TeamQuest specializes in IT Service Optimization

TeamQuest®

Client Info at a Glance

Company: Technology Services Provider

Location: United States

FINANCIAL

Company Overview: This financial technology provider delivers banking and payments technologies to more than 8,000 financial services firms and businesses worldwide.

Business Value of TeamQuest: The company's capacity planners use carefully chosen TeamQuest workload definitions in conjunction with TeamQuest Model to show their management the business rationale for needed system upgrades.

Executive Summary

Convincing management of the need for increased IT capacity can be difficult, especially if you try to use a purely technical argument. An IT manager responsible for the capacity planning, monitoring and performance teams at a financial services company, learned the hard way that business managers are sometimes disinclined to listen to technically justified recommendations. He discovered that he needed to exercise his communication skills and business knowledge in order to get management buy-in for his team's initiatives. Says the manager, "Your likelihood for success can be greatly increased if you can speak a language that your business managers understand."

The IT manager has since successfully sold his management on the need for system upgrades. He does it by using carefully chosen TeamQuest workload definitions in conjunction with TeamQuest Model to show his management the business rationale for needed hardware purchases. With TeamQuest software, it's easy for management to weigh the expense of upgrades versus the negative business impact of not upgrading.

The Story: What Didn't Work

This company's business managers had projected future growth in the use of one of its applications. Using TeamQuest software, the IT manager discovered that, absent any future changes in system configuration, the stretch factor would grow well beyond two. Additional analysis indicated that he needed to add four CPUs to the existing server to keep CPU queuing delays at a reasonable level.

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To ensure that service levels would continue to be met, the manager knew that he had to convince management to approve adding the four CPUs. But when he showed his stretch factor graphs and put up charts displaying 60% CPU utilization, management's eyes glazed over. After considerable discussion, management still couldn't understand what or who was being impacted. In their minds, an upgrade wasn't necessary because they couldn't see how additional CPUs would improve the customer experience or the company's bottom line.

Management gave the proposal a thumbs down. Despite the fact that the IT manager's recommendation was technically sound, the upgrade was not approved. The reason? He had failed to show the business value of his plan.

The Lesson Learned

When management rejected his capacity plan on technical merits, the manager realized he needed to change his strategy. His plan was good, but he needed to find a way to sell it to management. He realized that management was really interested in two things:

- What are the business drivers for the upgrade?
- How much will the needed upgrades cost, and when?

Stretch factor is the single most important number for showing bottlenecks in the system. It is the ratio of response time divided by the response time with no queuing delays. The lowest possible number is one, where there are no queuing delays. When the stretch factor equals two, it means that queuing delays equal the actual time spent doing work.

"Management can relate when you tell them the number of customers or end clients that will be impacted," he says. "They also understand personnel, hardware, software and other costs of doing business. You throw all that in a chart and you've got a pretty convincing case."

How Using TeamQuest Led to Success

The IT manager decided to experiment with TeamQuest workload definitions that would allow him to analyze performance and graph predictions for different subsets of the organization's customer base. Using TeamQuest software, he was able to show management that the need for capacity was being driven by two primary factors:

- New customers being signed on to use a service and
- A renewing customer that was, in turn, increasing their customer base from 100,000 to 150,000.

One chart showed the real reason for the upgrade. From January to November, management saw how, at current rates of growth, the company would be unable to provide adequate service levels without purchasing more hardware.

With his new business-relevant analysis enabled by the right workload definitions, the manager was finally able to demonstrate the business value of his upgrade proposal. He now had the approval necessary to get the CPUs that were needed to ensure that service levels would be met after forecasted increases in business.

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Conclusion

Business managers are more concerned with the bottom-line impact of capacity; not with stretch factors or the data behind a needed upgrade. When working to justify added capacity to business managers, a capacity planner should speak in terms of business impact and expense rather than talking about hardware and software requirements. "Sometimes my team needs to provide a six to ten page business case with supporting documentation," says the successful capacity planner. "You need to discuss revenue and expenses and use graphs that help drive your points home."

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