DEMAND MANAGEMENT PROCESS

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Change history

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1. Purpose, scope and users

The aim of this document is to define the purpose, scope, principles and activities of the Demand Management process.

This document is applied to the entire IT Service Management (ITSM) organization.

Users of this document are all employees of [organization name], as well as all external parties who have a role in ITSM.

2. Reference documents

- Capacity Management Process
- Service Level Management Process
- Service Portfolio Management Process
- Business Relationship Management Process
- Continual Service Improvement Process

3. Policy

[organization name] uses the Demand Management process to gain knowledge about, foresee and affect customers’ demand, as well as their capacity requirements.

[role description] uses the following activities to gain understanding about customers’ demand:

- Analysis and prediction of customers’ pattern of business activities (PBA)
- Analysis of user profile and detection of demand profiles for different user profiles for different user profiles
- Analysis of situations where demand exceeds provider capacity

3.1 Integration with other processes

[Demand Manager] is responsible to integrate Demand Management activities into the following processes and functions throughout the service lifecycle:

- Strategy Management for IT Services
- Service Portfolio Management
- Service Availability Management
- Capacity Management
- IT Service Continuity Management
- Service Transition and Testing
- IT Operations Management
- Application Management
- Technical Management
- Continual Service Improvement
- Business Relationship Management
3.2 Definition

Pattern of Business Activity (PBA)

PBA describes how a customer uses the services provided, i.e. workload profile of business activity. Intention and understanding of PBA dictates an organization’s activity to satisfy customer needs and needed capacity.

User Profile

User profile (UP) describes a user’s demand for the service.

4. Process activities

4.1. Identify sources of demand forecasting

To efficiently support business, and its activities, [organization name] uses the following resources of information to shape demand that is needed:

- Business plan
- Budget
- Standards
- Market analysis and forecast
- New product and/or service introduction plan

[role description] is responsible to gather the information.

4.2. Pattern of Business Activity (PBA)

[role description] is responsible to identify and document the PBA of the customer. Documented PBAs include:

- Classification
- Attributes
- Requirements
- Service asset requirements

4.3. User profiles

Additionally to PBAs, User Profiles (UP) must be created to define users’ demand. [role description] is responsible to define UPs.

4.4. Activity-based demand management

User activities, i.e. PBAs, have to be analyzed to create input for the Demand Management process. [role description] is responsible to define

4.5. Develop differentiated offerings
During analysis of customer activities, [role description] and service is differentiated into packages.

4.6. Management of operational demand

The Demand Management process works closely with Capacity Management, Service Level Management, Service Portfolio Management and Performance Management to manage demand when resources are being user utilisation. [Demand Manager] defines the model to achieve balance between demand and capacity.

5. Roles and responsibilities

5.1. Demand Manager

[role description] assigns the Demand Manager role.

Responsibilities of Demand Manager:
- Overall responsibility for carrying out activities within the scope of Demand Management
- Coordinates with other Service Management roles
- Responsible for reporting and managing information
- Manages work of demand management staff
- Develops and maintains demand management process and procedures
- Analyzes PBAs and defines customer demand, i.e. capacity requirements
- [additional responsibilities]

6. Measurement and metrics

6.1. Measurement

[role description] is responsible to:
- Produce reports
- Evaluate reports
- Define measures for improvement
- Send reports to Service Level Manager on a monthly basis

6.2. Metrics

The Demand Management process does not perform any additional measurements, but uses measurements for other processes:
- Capacity Management
- Service Portfolio Management
- Event Management

6.3. Critical Success Factors (CSF) and Key Performance Indicators (KPI)
[role description] is responsible to define CSFs and respective KPIs. Achievements against KPIs are monitored and evaluated by [role description].

<table>
<thead>
<tr>
<th>Critical Success Factor</th>
<th>Key Performance Indicator</th>
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<tr>
<td>PBAs are analyzed and identified and future</td>
<td>PBAs are defined for all important services.</td>
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<tr>
<td>[information]</td>
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7. Managing records kept on the basis of this document

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<td>Demand Manager</td>
<td>Reports are kept for [...].</td>
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8. Validity and document management

This document is valid as of [date].

Owner of this document is [job title], who must check and, if necessary, update the document at least once a year.

[job title]

[name]

[signature]