

The Capacity Management Playbook

How Australian Teams Stop Guessing and Start Delivering

WHITEPAPER



Executive summary

Most Australian delivery teams are managing capacity the same way they did a decade ago — with spreadsheets, gut feel, and retrospective reports that arrive too late to change anything.

The consequences are familiar: projects slip, people burn out, headcount justifications fail to land, and leadership loses confidence in the delivery function. Meanwhile, other parts of the business sit underutilised while critical teams run at 120 per cent.

This playbook introduces a practical four-level maturity model — the Capacity Maturity Model — that gives delivery managers, operations leads, and PMO directors a clear path from reactive guessing to proactive, data-driven capacity optimisation. It draws on the Atlassian platform and Tempo's suite of resource management tools as the primary delivery layer, supplemented by insights from Gartner, McKinsey, and the Australian Bureau of Statistics.

Who this playbook is for

Delivery managers, operations leads, and PMO directors in mid-market to enterprise Australian organisations (100 to 2,000 staff) who are responsible for resource allocation, project delivery, and workforce planning.

1. The capacity problem facing Australian teams

Capacity management sits at the intersection of people, projects, and performance. Done well, it prevents burnout, improves delivery reliability, and provides the evidence base for headcount decisions. Done poorly, it creates a cascade of downstream problems that are expensive to unwind.

67%

of organisations say capacity forecasting is their biggest resource management challenge (Runnells, 2024)

20-30%

of companies do strategic workforce planning (McKinsey, 2024)

15%

of companies do strategic workforce planning across their delivery teams (Gartner, 2025)

The problem is not a lack of effort. Delivery managers work hard. The issue is structural: without real-time visibility into who is working on what, and what capacity exists across the next four to eight weeks, every resource decision is made in the dark.

Four pain points that characterise the capacity-blind organisation:

- Invisible utilisation — no reliable view of who is at capacity, who is available, and where time is actually going.

- Reactive resourcing — team members are allocated to new projects without checking existing commitments, leading to double-booking and missed deadlines.
- No data to justify headcount — when hiring requests go to the executive team, there is no evidence trail to support them. Requests are declined or deferred indefinitely.
- Uneven load distribution — some team members consistently run at over 100 per cent utilisation while others have significant spare capacity sitting untapped.

The hidden cost of guessing

Between 20 and 30 per cent of important roles in Australian organisations are not filled by the most role-appropriate people, a direct consequence of capacity planning that prioritises availability over fit. The downstream impact on delivery quality compounds over time. Source: McKinsey Global Institute, 2024.

2. The Capacity Maturity Model

Not every organisation needs the same level of capacity management sophistication. The Capacity Maturity Model provides a four-level framework that helps teams understand where they currently sit and what it takes to move to the next level. Each level builds on the previous one.

Level	Name	Characteristics	Primary Risk
Level 1	Guessing	No formal tracking. Capacity allocated via email or verbal agreement. Spreadsheets updated manually, often after the fact.	Over-allocation and burnout. No audit trail for delivery failures.
Level 2	Tracking	Time and effort tracked in a central system (e.g. Tempo Timesheets + Jira). Actual vs planned hours visible. Reporting is retrospective.	Patterns are visible but reactive. Issues are identified after they occur, not before.
Level 3	Forecasting	Forward-looking capacity views across 4 to 12 weeks. Resource allocation informed by planned work, leave, and project pipeline. Decisions are proactive.	Forecasts require clean data inputs. Quality of planning depends on team discipline in maintaining the system.

Level 4	Optimising	Continuous improvement cycle. Capacity data feeds into strategic workforce planning, headcount models, and portfolio prioritisation. Fully integrated with the Atlassian platform.	Requires executive sponsorship and cross-functional alignment. Process changes must be sustained over time.
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Most Australian mid-market delivery teams currently sit between Level 1 and Level 2. The gap between Level 2 and Level 3 is where the most significant business value is unlocked.

3. Level 1 — Guessing: what it looks like and what it costs

At Level 1, capacity management is informal by definition. Work is allocated based on who asked first, who appears available in a calendar view, or who raises their hand in a stand-up. There is no consistent method for understanding total load across a team or portfolio.

Indicators your team is at Level 1:

- Resource allocation happens in email threads or chat messages, not in a system of record.
- You cannot answer "who has capacity this week?" without pinging people individually.
- Timesheet data (if collected at all) is entered weekly or fortnightly — not in real time.
- Project managers maintain their own local spreadsheets that are not connected to each other.
- Headcount requests are rejected because leadership cannot see evidence of genuine overload.

The business case for moving to Level 2

Gartner research shows that strategic workforce planning — even at a basic tracking level — is among the top three organisational priorities for senior leaders in 2025. Yet only 15 per cent of companies have implemented it. The gap represents both a risk and an opportunity.

The exit path from Level 1 is straightforward: implement a single source of truth for time tracking and work allocation. On the Atlassian platform, this typically means deploying Jira for work item management and Tempo Timesheets for logging and reporting. The goal at this stage is not perfection — it is visibility.

4. Level 2 — Tracking: building your foundation

At Level 2, the organisation has established a system for capturing where time is going. Work is logged in Jira. Time is tracked in Tempo Timesheets. Managers can run retrospective reports to understand actual utilisation against planned hours.

What good looks like at Level 2:

- All work items are captured in Jira with estimated effort and assignees.
- Team members log time daily or at minimum three times per week.
- Managers have access to utilisation dashboards showing actual vs planned hours across the team.
- Time data is broken down by project, client, or cost centre.
- Approval workflows are in place for timesheet sign-off.

Tempo Timesheets is the most widely deployed time tracking application in the Atlassian ecosystem, and for good reason. Its native integration with Jira means that time logged against issues automatically flows into reporting dashboards without double entry. The approvals hub, project-level reporting, and CapEx/OpEx categorisation make it a genuine enterprise-grade solution rather than a simple timesheet tool.

Level 2 quick wins

Teams transitioning from Level 1 to Level 2 typically see three immediate benefits: a reduction in conflicting resource commitments, an improved ability to demonstrate team load to leadership, and a foundation for accurate project invoicing and cost tracking.

5. Level 3 — Forecasting: where the real value is unlocked

Level 3 is the most significant transition in the maturity model. It is the point at which capacity management shifts from retrospective reporting to forward-looking planning. Decisions are no longer made on the basis of what happened last month — they are made on the basis of what is planned for the next six to twelve weeks.

What Level 3 capacity management enables:

- Resource allocation to new projects is tested against forward capacity before commitments are made.
- Leave, public holidays, and part-time arrangements are factored into available capacity calculations automatically.
- Delivery managers can answer "can we take on this project?" with a data-backed response rather than an estimate.

- Overload risks are visible four to eight weeks in advance, giving sufficient lead time to redistribute work or escalate.
- Headcount requests are supported by utilisation trend data that tells a clear, evidence-based story.

On the Atlassian platform, Tempo's Capacity Planner — used alongside Tempo Timesheets and Jira — provides the forward-planning layer. Teams can model planned allocation against available capacity, view period-by-period workload distribution, and integrate with Jira issue data to see how the current backlog maps to team bandwidth.

The forecasting dividend

Research from Runn's 2025 State of Resource Management report found that only 13 per cent of organisations rated their forecasting as "extremely effective." The majority are still reconciling capacity and demand reactively. Teams that build a forecasting capability create a durable competitive advantage in delivery reliability.

6. Level 4 — Optimising: the fully integrated delivery operation

At Level 4, capacity management is not a standalone discipline — it is embedded into every layer of the delivery operation. Workforce planning, portfolio prioritisation, project intake, and financial reporting all draw from the same integrated data model.

Hallmarks of a Level 4 organisation:

- Capacity data feeds directly into strategic workforce planning and headcount modelling cycles.
- Portfolio prioritisation is informed by real-time resource availability, not just strategic priority scores.
- Project intake is governed by a formal capacity gate — new work only enters the pipeline when capacity exists to support it.
- CapEx and OpEx allocation is tracked against actual logged hours, enabling accurate financial reporting to the board.
- Continuous improvement loops mean capacity models are refined each quarter based on delivery performance data.

The Atlassian platform at this level extends beyond Jira and Tempo to include Atlassian's portfolio management capabilities, Confluence for documentation and decision records, and integration with BI tools for executive dashboards. Tempo's Structure PPM and BI Connectors provide the bridge between operational data and strategic reporting.

A note on maturity progression

Organisations do not need to reach Level 4 to realise significant value. The move from Level 1 to Level 2 alone eliminates the most costly operational failures. Each level delivers returns that justify the investment in the next. The goal is continuous progression, not immediate perfection.

7. A practical implementation roadmap

Moving through the maturity levels is not a big-bang implementation. The most effective approach is incremental: establish a baseline, prove value, then expand. The following roadmap outlines a realistic progression for a mid-market Australian organisation.

Phase	Timeframe	Key Actions	Expected Outcomes
Phase 1: Baseline	Weeks 1 to 4	Deploy Jira for work item management. Implement Tempo Timesheets. Establish time logging discipline. Define project and cost centre taxonomy.	Single source of truth for time and work. Retrospective utilisation reporting available.
Phase 2: Visibility	Weeks 5 to 10	Build utilisation dashboards. Introduce weekly capacity review cadence. Connect timesheet data to project reporting. Train managers on interpreting capacity data.	Managers can identify overloaded and underloaded team members. Resource conversations shift from opinion to evidence.
Phase 3: Forecasting	Weeks 11 to 18	Deploy Tempo Capacity Planner. Build forward-looking resource plans for the next 6 to 12 weeks. Integrate with project pipeline. Establish capacity gate for new project intake.	Proactive identification of resource conflicts. Headcount requests supported by utilisation trend data.

Phase 4: Optimisation	Ongoing (quarterly cycle)	Connect capacity data to strategic workforce planning. Integrate with portfolio prioritisation. Enable CapEx/OpEx reporting. Establish continuous improvement review cycle.	Capacity management embedded in every layer of the delivery operation. Financial and workforce planning aligned.
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Most organisations complete Phases 1 and 2 within three to four months of implementation. Phase 3 typically requires six weeks of planning cadence before the forecasting data reaches sufficient reliability to influence decisions with confidence.

8. Why Design Industries

Design Industries is a Melbourne-based Atlassian Solution Partner serving enterprise and government clients across Australia. With a team of 25 specialists and a Formula One precision culture, we have built a track record of delivering Atlassian platform outcomes that hold.

What sets us apart in capacity management implementations:

- We understand the full Atlassian stack — Jira, Confluence, Tempo Timesheets, Tempo Capacity Planner, Structure PPM — and how to configure them together rather than in isolation.
- Our Digital Factory managed service includes an ongoing platform optimisation capability, meaning your capacity management configuration is continuously improved rather than set-and-forget.
- We bring change management experience alongside technical implementation. The hardest part of capacity management is not the tooling — it is the behaviour change. We know how to make it stick.
- Australian enterprise context: we work with clients who face the same workforce constraints, compliance obligations, and budget pressures that your organisation navigates.

The Digital Factory difference

Our Digital Factory managed service delivers ongoing platform optimisation as a structured partnership — not a one-off engagement. Capacity management improvements are built iteratively, reviewed quarterly, and continuously refined as your organisation's needs evolve.

9. Your next step: Platform Discovery

Understanding where your organisation sits on the Capacity Maturity Model is the starting point for every improvement initiative. Our complimentary Platform Discovery gives you a clear picture of your current state, the gaps in your tooling and process, and a prioritised roadmap for moving to the next level.

What the Platform Discovery covers:

- A review of your current Atlassian and Tempo configuration against best-practice capacity management patterns.
- An assessment of your current maturity level across the four-level model.
- Identification of the highest-value gaps and quick wins.
- A prioritised implementation roadmap tailored to your organisation, team size, and delivery context.
- A recommendation on whether your needs are best served by a standalone engagement or the Digital Factory managed service model.

The Platform Discovery is a no-obligation, no-cost conversation with a Design Industries Atlassian specialist. It runs for approximately 60 minutes and delivers a written summary within five business days. There is no sales pitch — just a practical, evidence-based assessment of where you are and what the path forward looks like.

Sources and references

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