ExamLabs

ITIL 4 Foundation
Study Guide
Exam ITILFND V4

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CHAPTER 1

INTRODUCTION

1 Introduction

1.1 IT service management in the modern world

According to the World Trade Organization,[1] services comprise the largest and most dynamic component of both developed and developing economies. Services are the main way that **organization**s create **value** for themselves and their **customers**. Almost all services today are IT-enabled, which means there is tremendous benefit for organizations in creating, expanding, and improving their IT service management **capability**.

Technology is advancing faster today than ever before. Developments such as **cloud computing**, infrastructure as a service (IaaS), machine learning, and blockchain have opened fresh opportunities for value creation, and led to IT becoming an important business **driver** and source of competitive advantage. In turn, this positions IT service management as a key strategic capability.

To ensure that they remain relevant and successful, many organizations are embarking on major transformational **programme**s to exploit these opportunities. While these transformations are often referred to as 'digital', they are about more than technology. They are an evolution in the way organizations work, so that they can flourish in the face of significant and ongoing **change**. Organizations must balance the need for stability and predictability with the rising need for operational agility and increased velocity. Information and technology are becoming more thoroughly integrated with other organizational capabilities, silos are breaking down, and cross-functional teams are being utilized more widely. **Service management** is changing to address and support this organizational shift and ensure opportunities from new technologies, and new ways of working, are maximized.

Service management is evolving, and so is ITIL, the most widely adopted guidance on IT service management (ITSM) in the world.

1.2 About ITIL 4

ITIL has led the ITSM industry with guidance, training, and certification programmes for more than 30 years. ITIL 4 brings ITIL up to date by re-shaping much of the established ITSM **practice**s in the wider context of **customer experience**, **value stream**s, and **digital transformation**, as well as embracing new ways of working, such as **Lean**, Agile, and DevOps.

ITIL 4 provides the guidance organizations need to address new service management challenges and utilize the potential of modern technology. It is designed to ensure a flexible, coordinated and integrated system for the effective **governance** and management of IT-enabled services.

1.3 The structure and benefits of the ITIL 4 framework

The key components of the ITIL 4 framework are the ITIL **service value system (SVS)** and the four dimensions model.

1.3.1 The ITIL SVS

The ITIL SVS represents how the various components and activities of the organization work together to facilitate value creation through IT-enabled **service**s. These can be combined in a flexible way, which requires integration and coordination to keep the organization consistent. The ITIL SVS facilitates this integration and coordination and provides a strong, unified, value-focused direction for the organization. The structure of the ITIL SVS is shown in Figure 1.1, and is repeated in Chapter 4, where it is described in more detail.

The core components of the ITIL SVS are:

- the **ITIL service value chain**
- the ITIL practices
- the **ITIL guiding principles**
- governance
- continual improvement.

The ITIL service value chain provides an operating **model** for the creation, delivery, and continual improvement of services. It is a flexible model that defines six key activities that can be combined in many ways, forming multiple value streams. The service value chain is flexible enough to be adapted to multiple approaches, including DevOps and centralized IT, to address the need for multimodal service management. The adaptability of the value chain enables organizations to react to changing **demand**s from their **stakeholder**s in the most effective and efficient ways.

The flexibility of the service value chain is further enhanced by the ITIL practices. Each ITIL practice supports multiple service value chain activities, providing a comprehensive and versatile toolset for ITSM practitioners.

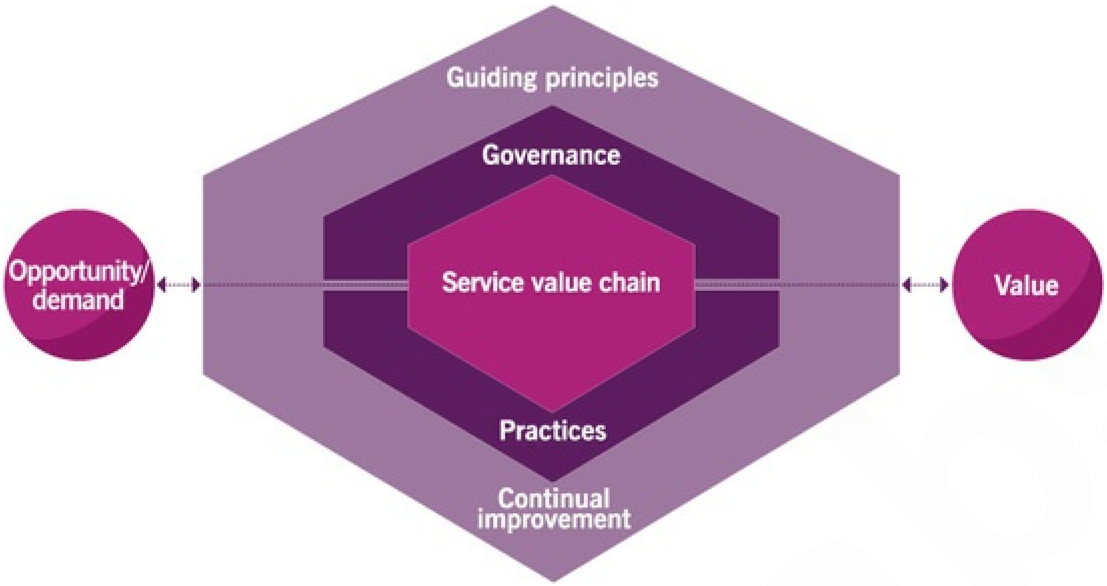
Guiding principles
Governance
Opportunity/ demand
Service value chain
Value
Practices
Continual improvement

Figure 1.1 The service value system

The ITIL guiding principles can be used to guide an organization's decisions and actions and ensure a shared understanding and common approach to service management across the organization. The ITIL guiding principles create the foundation for an organization's **culture** and behaviour from strategic decision-making to day-to-day operations.

The ITIL SVS also includes governance activities that enable organizations to continually align their operations with the strategic direction set by the governing body.

Every component of the ITIL SVS is supported by continual improvement. ITIL provides organizations with a simple and practical improvement model to maintain their resilience and agility in a constantly changing **environment.**

1.3.2 The four dimensions model

To ensure a holistic approach to service management, ITIL 4 outlines **four dimensions of service management,** from which each component of the SVS should be considered. The four dimensions are:

- **organizations and people**
- **information and technology**
- **partners and suppliers**
- **value streams and processes.**

By giving each of the four dimensions an appropriate amount of focus, an organization ensures its SVS remains balanced and effective. The four dimensions are described in Chapter 3.

The ITIL story: The CIO’s vision for Axle

Henri: *These days, the pace of industry change is rapid, with the term ‘Fourth Industrial Revolution’ now widely used. Companies such as Axle are competing with disruptors that include driverless cars and car share.*

Service expectations have changed since Axle was created 10 years ago. Customers want immediate access to services via apps and online services. Axle’s booking app is out of date, and our technology isn’t keeping pace with changes in our service offerings.

*My vision for Axle is that we become the most recognized car-hire brand in the world. We’ll continue to offer outstanding customer service while maintaining competitive car-hire rates. After all, Axle is now about more than just hiring a vehicle. We must focus on our customers’ whole travel experience.*I

Footnote:

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1 https://www.wto.org/english/tratop_e/serv_e/serv_e.htm [accessed: 22 July 2019].