



ITIL® Intermediate Lifecycle Stream:

SERVICE STRATEGY CERTIFICATE

Sample Paper 2, version 6.1

Gradient Style, Complex Multiple Choice

QUESTION BOOKLET

Gradient-style, Complex Multiple Choice
90 minute paper
Eight questions, Closed Book

Instructions

1. *All eight questions must be attempted.*
2. *All answers are to be marked on the answer grid provided.*
3. *You have 90 minutes to complete this paper.*
4. *You must achieve a total of 28 marks or more out of a maximum of 40 marks (70%).*

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Question One

Refer to Scenario One

Which one of the following options is the BEST tactical plan for the chief information officer (CIO) to bring the situation under control?

- A. Due to the limited time the special resources will be available, the CIO should first implement formal change management and request fulfilment processes to create the needed stability and control over service delivery. Once these controls are in place, a better understanding and co-ordination of the many business demands and requests can be achieved by implementing demand management as soon as possible. Resulting savings should help fund project management office (PMO) improvements.
- B. The CIO should initiate the implementation of demand management. This will lead to a better understanding and anticipation of business requirements and allow business requests to be prioritized. The CIO should use the specially approved resources in parallel to initiate formal change management, request fulfilment and the stabilization of the PMO. These initiatives should improve long-term cost effectiveness and the consistent management of demand and projects.
- C. The CIO should implement demand management to evaluate the requests and understand which ones relate to critical services. IT can then work with the business to postpone other requests until the change management and request fulfilment processes have matured enough to handle the additional workload and clear the backlog. The IT department will then be able to respond to the business more efficiently and effectively and can devote resources to improving the PMO.
- D. The CIO should work with the business units to temporarily restrict new, incoming requests to those relating to the critical services and to hold all others until IT and the business can agree on a long-term method for prioritizing requests. The specially approved resources should be used to stabilize the PMO and clear the already existing backlog of requests. The change management and request fulfilment processes should then be addressed.

Question Two

Refer to Scenario Two

Based on the information provided, which one of the following is the BEST solution for sourcing ETR?

- A. Retain ETR within the business unit because there is sufficient demand for the service from the business unit that uses it, and performance is hard to define. Acquire rights to the specialized and proprietary service assets that can be invoked if the suppliers should go out of business.
- B. Retain ETR within the business unit and acquire rights to the specialized and proprietary service assets. Should both suppliers go out of business, ETR could become a strategic business asset as the company could market the assets to other former customers of the suppliers who may need them to maintain continuity of their business operations.
- C. Outsource to an external service provider who can assume the costs and risks of maintaining highly specialized service assets in return for a long-term contract with price guarantees. Define service level metrics based on relevant industry benchmarks and IT metrics databases for services with similar asset and pattern characteristics.
- D. Transfer control to a shared service unit (SSU) which can spread the marginal costs of maintaining highly specialized service assets across the business units. Require the SSU to report performance-related issues and, when they occur, to resolve them through mutual agreement.

Question Three

Refer to Scenario Three

It is clear that an operational risk has materialized and had an impact on service quality and cost.

Which one of the following options BEST describes if and how this risk could have been anticipated and reduced or mitigated?

- A. As the business customer did not anticipate how they would be using the new service features, they could not therefore have advised IT during service design, making this risk difficult to anticipate. Only the business unit truly knows what their activities are and how they will grow, putting them in the best position to anticipate the impact of new features. This information was unknown to IT, so one way to mitigate the risk would be to build spare capacity into the service design. This would overcome budgeting issues, but would be wasteful if the spare capacity is not used.
- B. In order to design the applications the BSF supplier would have investigated the business needs to understand their work and environment. They should have known and advised IT that new features would lead to increased utilization. The NSV supplier is an experienced provider of hosting services and should have been aware that this type of service would be likely to grow. If the main suppliers did not anticipate the risk, the supplier manager should have detected this and insisted that a more suitable design be produced. This would have provided additional capacity at the outset and would have avoided the incidents and outages.
- C. The risk could have been anticipated if key business managers were involved earlier in the service design phase. Analysis of the patterns of business activity would provide profiles of demand for different scenarios. Capacity planning could then consider the high likelihood of growth in demand and specify a more scalable design. As the business realized value from the service, IT could explore the potential impact on service quality and cost from increased usage, and define an updated business case with the business to justify increased costs.
- D. During service design, potential growth should have been explored and discussed with the business and with the external service providers. It is possible that this growth might have been anticipated and a more scalable and flexible service design produced. During contract negotiations with NSV, arrangements could have been made for additional capacity to be provided, when needed, at pre-determined cost. Potential increased costs for increased capacity as the service grew should have been anticipated and included in the budget.

Question Four

Refer to Scenario Four

As the chief information officer (CIO), you are conducting the meeting with the business relationship managers (BRMs).

Which one of the following options BEST explains the need for the proposed service owner role?

- A. Service owners bring co-ordination and ownership of services and must work with BRMs, who bring co-ordination and focus to the customers. Service owners ensure integration across services by being responsible for the service portfolio and any associated costs and risks, while the BRMs understand costs and risks across customers. Service owners would manage BRMs to ensure that under-served, un-served and emerging customer needs are captured when evaluating market opportunities. Service owners would manage the input and involvement of BRMs when making business cases for new services.
- B. Service owners bring co-ordination and ownership of services and complement BRMs, who bring co-ordination and focus to the customers. Service owners ensure integration across services by recognizing and managing costs and risks to the customer catalogue, just as BRMs understand costs and risks across the customers. Service owners represent the services across the organization and would have agreements with BRMs to ensure that under-served, un-served and emerging customer needs are represented when evaluating market opportunities. Service owners and BRMs work very closely together to manage the service catalogue. This co-ordinated approach will address the weaknesses in the current situation.
- C. Service owners could overlap responsibilities of the BRMs in some areas and thereby reduce the burden on the BRMs. Service owners ensure integration of customers across services by recognizing and managing service costs and risks across the customer catalogue. Service owners promote the service catalogue and would manage BRMs to ensure that under-served, un-served and emerging customer needs are captured when evaluating market opportunities. Service owners are responsible for making business cases for new services and presenting them to BRMs. BRMs will then ensure that their customers' needs are correctly represented.
- D. Service owners bring co-ordination and ownership of the services and work with BRMs to understand and translate customer requirements. This provides a means to evaluate the best use of service assets from an overall portfolio perspective and eliminate duplication of effort. Service owners, who are accountable for representing services across the organization, would be useful allies of the BRMs by promoting and helping strengthen business cases for new services or improvements.

Question Five

Refer to Scenario Five

Based on the scenario, which one of the following lists BEST defines the additional information and insight needed to analyse the IT department's business potential in each market space?

- A.
 - The relevance of the existing service models when meeting the particular needs associated with market spaces
 - The service potential of new services in the pipeline
 - Details of the specific needs of present and prospective customers associated with the market spaces
 - The critical success factors for each market space and related service assets.
- B.
 - The results of a strategic assessment relating to the services being offered
 - The factors which define the expected results of the service strategy
 - The measures of differentiation in the market spaces which demonstrate the value of the services
 - The projected expansion and growth of the business.
- C.
 - A specification of the services which are offered to the customers and businesses within the agency
 - The current expectations of the directorate customers
 - Definitions of the under-served and over-served market spaces
 - The service portfolio information covering services in the service pipeline and catalogue.
- D.
 - The complete list of services that are managed by the IT department
 - The resources and capabilities within the agency that contribute to the delivery of the services
 - The service catalogue
 - The critical success factors needed to identify the success or failure of the service strategy.

Question Six

Refer to Scenario Six

From a service strategy perspective, which one of the following options represents the BEST explanation for the weaknesses in the project outcomes?

- A. While the service strategy was essentially sound, the execution was seriously flawed. Features were included that were unable to function properly in the real world and there was no real knowledge transfer to service operation during the transition phase. The biggest weakness in the service strategy was that sales representatives were not included in the earliest phases and so IT was unclear on how sales wanted the service to work.
- B. The biggest flaw in the service strategy was that the service design team was not consulted early enough to determine their point of view on how to meet the business need. As a result, time was wasted developing unnecessary features and the project failed to be delivered when it was hoped for. Also, the design did not take into consideration the real world connection speeds likely to be experienced by the sales force.
- C. The service strategy did not take into account present capabilities across the service lifecycle when planning the project. It also did not clearly establish which service attributes were “must-have” versus “nice-to-have”, from the sales managers’ perspective. Design objectives and constraints, particularly those related to time and cost, were not properly defined. There was not enough effort from a service transition perspective to see which solutions would present the lowest operational risk.
- D. The flaws in the service strategy were mostly related to moving too quickly and not taking current capabilities into account. No cost-benefit analysis was performed and the business was not involved enough throughout the process to ensure success. The execution of the strategy also failed, in that testing did not uncover the connection speed issues in the field and knowledge was not transferred to service operation.

Question Seven

Refer to Scenario Seven

You are the chief information officer (CIO) of energy trading IT group.

Which one of the following options is the BEST proposal to introduce a cross-organizational service portfolio and service portfolio management process?

- A. You propose to establish five local service portfolio management initiatives in corporate IT (CIT) and in each of the four IT units because the corporate culture encourages a decentralized approach. Each unit should design its own service portfolio and process because it would be too time-consuming to reach an enterprise-wide agreement on the portfolio format, process and supporting tools. Investments should be treated as projects and managed through the IT project portfolio management process to avoid resource conflicts between CIT and business units.
- B. You propose an enterprise service portfolio management process. Long-term goals of the IT service organization should be agreed, as should the purpose, level, scope and method of analysis to be performed against the IT services. Then data for existing and proposed IT services across the company should be collected and analysed to answer questions such as: 'What IT services are required to meet the IT service organization goals?' and 'How should our resources and capabilities be allocated?'. These decisions should be approved, then communicated and reflected in IT budgets. When large events occur, and at least once a year, the service portfolio should be refreshed by repeating these steps.
- C. Your CIO colleagues will resist an enterprise service portfolio management process because they perceive other units as competitors. You, therefore, propose a two-phased implementation of service portfolio management:
 - Each unit should first establish its own service portfolio by defining, analysing and approving the IT services currently delivered. To ensure consistency, the five units should agree on IT service attributes, the shared supporting tool and the overall process activities
 - When all units have gained the experience of managing the IT service portfolio, the portfolios and process should be joined. This should be done after approximately two years, when all IT services have been revised at least twice and the first business cases evaluated. The shared tool should ease transition. When large events occur, and at least once a year, the service portfolio should be refreshed.
- D. You propose to define an enterprise IT service portfolio across CIT and the four business units. You suggest collecting data for all IT Services in the company and describing the business case for each IT service. Based on the identification you propose to categorize all IT services into six categories: retain, replace, rationalize, re-factor, renew or retire. The categorization should be communicated and reflected in IT budgets. When large events occur, and at least once a year, the service portfolio should be refreshed by repeating these steps.

Question Eight

Refer to Scenario Eight

Which one of the following options describes the BEST approach to fulfil the chief information officers (CIO's) request?

- A. Carry out a full service valuation exercise to identify how much was being spent on IT before the project by identifying the direct, indirect, fixed, and variable costs of IT. Then, analyse how expenditure has changed over the past 18 months. This will explain exactly how the costs of delivering IT services have been optimized and will identify which costs will change with the second phase. Lastly, since this organization simply apportions costs, establish notional chargeback so that the costs of providing services over time can be determined. Changes in cost can be evaluated as they occur, without changing the cost recovery mechanism currently in place.
- B. Assess the overall underlying cost of the first phase. Expenditure can be classified using standard accounting methods which identify specific cost types and units. A baseline of expenditures before the project can then be compared with current expenditures. Operational and capital plans from before the project started can be contrasted with current plans in order to evaluate differences in expenditure and isolate the effects of phase one. The plans and budgets can also be used to identify key areas of savings for the next phase. Once services and the associated configurations have been clearly defined as a result of phase two, a service valuation may be determined and cost optimization can be used to evaluate future cost-saving alternatives.
- C. Use accounting information to create a baseline of expenditures before the start of the project, and then compare it with current expenditures. Expenditures should be defined in terms of cost types, cost units, and direct, indirect, fixed and variable costs. These categories will enable past expenditures to be tracked and future expenditures to be forecast. Operational and capital plans should be used to validate the costs and the future expenditures predictions. Service demand modelling will make cost-saving forecasts more accurate by estimating future use of IT services. Cost optimization can be used to identify further cost savings in phase two. This can be made more effective when combined with a service value potential approach. At this stage, no form of chargeback is appropriate, as this will only communicate how IT deals with costs, not how much money would be saved.
- D. Assess the provisioning value of the first phase by using standard accounting methods to determine costs prior to the start of the project, and comparing them to current expenditure levels. Operational and capital budgets should be examined to assess whether expenditures were higher or lower than expected. Although the service catalogue will be defined in the second phase, there should be some understanding of IT services. Using current accounting data, it should be possible to calculate the current costs and perform some basic service demand modelling to estimate future costs of these services. The report will, therefore, contain an assessment of cost savings achieved, as well as an estimate of the savings for phase two when the services have been catalogued.