

Information Technology Infrastructure Library (ITIL) 4

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Introduction

Find out what kind of preparation you need to pass the Information Technology Infrastructure Library (ITIL®) 4 Foundation test on your first go. With the help of this guide, the author wants individuals to extend their comprehension regarding ITIL®, which has turned out to be the standard structure for the IT support industry, its core values, and practices. You can figure out how the fourth industrial revolution has carried its new modifications with the help of ITIL® 4. Also, you can discover the four key components of support management, and how they may be relevant to the successful assistance as well as significant worth for the clients. Besides, an individual may find out about the service value chain, the constant improvement model, the core values, and significantly more.

Subjects include:

- ITIL® and the fourth industrial revolution
- The four elements of service management
- The service value framework
- ITIL® core values
- Service value chain exercises
- Continual improvement model
- General management practices
- Service management practices
- Technical management exercises

- Exams Fundamentals
- Service Organizations
- Service Management
- Value
- Organizations and individuals
- Services and products
- Service offerings
- Service relationships
- Outcomes
- Cost
- Risk

If you are willing to apply for the ITIL 4 Foundation Certification test, then this guide will help you to obtain maximum benefits by providing all the necessary details and information regarding this particular exam. This manuscript is going to help you learn everything essential to pass the Information Technology Infrastructure Library (ITIL®) 4 Foundation test if you are applying for the first time. Moreover, the overall ITIL 4 infrastructure will be visible to you so that you can use and apply it in your own business. It's a famous saying that you cannot get a full understanding of any subject until you don't get your hands dirty on it. So this is going to be an

excellent platform for beginners whether you are going to grab information about the ITIL 4 framework or you want to get prepared for the ITIL 4 foundation test. This idea means that it can benefit you in either two ways: you can get promotion to a higher rank in your organization, or you can switch to an entirely new job. Every concept of the actual ITIL 4 Foundation textbook has included in this book, which explicitly aimed to teach you everything without the need to read a real manual. Before starting the lesson of this book, I would like to give a brief introduction to Information Technology Infrastructure library because not every individual has much knowledge about this lesson or why we use it. ***ITIL is a service management framework.*** The term '*Service Management*' refers to a specific set of business proficiencies and abilities that facilitates the clients of that particular organization by providing IT services. The ITIL framework is used for this purpose to provide a complete framework by managing IT services for the businesses of large companies efficiently.

The worldwide demand for ITIL has been increased in the last previous decades because it is considered to be a very effective and useful framework for IT Service Management all over the globe. It has now gained popularity and has become the most popular service management framework. The reason behind its popularity is that most of the big enterprises in the entire world uses and manages their IT management setups with the help of the ITIL framework. The short form of this term is ITSM, i.e., IT Service Management. IT Service Management plays a vital role in the IT administration system of an organization. The IT Infrastructure Library (ITIL) is the most useful and practical system for applying ITSM. It is essential to comprehend the advantages that ITIL procedures can bring to any business with the emerging need for such services globally. It was anticipated that most of the large firms want to take the advantages of utilizing ITIL frameworks because IT Infrastructure Library (ITIL) gives guiding principles to IT facility providers on how to configure, accomplish and support IT administrations. ITIL is the most generally utilized IT administration facility. You can see best practices of ITIL on the internet that can use in executing the processes of service support.

Usually, the Service Management of a particular organization has the responsibility of producing and looking after the service packages and service supply frameworks that satisfy client needs and the powerful and proficient supervision of the day-to-day tasks in the respective company. Thus, it is the objective of the Service Management team to provide quality assurance service so that it meets the client demands as well as satisfaction, inside the company's business means and is dependent on a Service Culture which organizations view as an essential for conveying quality products. There is a direct connection exists between the satisfaction of the consumer and the utilization of ITIL. Also, Customer Satisfaction indicates that the services provisions of a particular organization are beneficial. This concept should be in your mind that both consumer satisfaction and operational throughput are directly proportional to the ITIL structure. Client satisfaction, as well as operational throughput increases as the exercises in the ITIL system increases. If the use of ITIL structure has increased due to some reasons, then it would bring out the positive effects on consumer satisfaction and operational throughput. Thus,

making a direct relationship between these three crucial factors. This concept is essential for large enterprises while applying ITIL frameworks. It is a brief introduction of the ITIL framework so that any individual, who does not have any knowledge ITIL frameworks, can easily understand its core concepts for IT service management of large firms. You must be wondering what this introduction is getting too long and when you will get all the essential tips for the Foundation test. Well, don't worry; we are now directly jumping into the section of exam fundamentals where you can get all the information regarding ITIL Foundation Test, how to apply for it and how you can pass the test with this book in no time.

Exams Fundamentals

In this section, we are going to discuss the details of the ITIL 4 Foundation test. If you are a student applying for the test, then you must be taking this lesson for the one reason, i.e., you want to become ITIL 4 certified. And if you are a full-time worker who needs this certification to get promotion in your current organization or maybe you haven't got any job, and you need this certification to get one in the Information Technology sector. No matter what the cause is, the lesson in this book was designed in such a way that anyone could get the desirable knowledge related to ITIL 4. This lesson is going to provide the material you need to know so that you can pass the foundation test and help you focus on the studies. The very first step in this process is to understand how the ITIL 4 test has designed before getting yourselves engaged in the depth of the book. Your capability to comprehend or memorize the concepts from this book can help you crack the questions in the exam. The two keywords I have used here 'comprehend' and 'memorize' should be noted. Let's say a problem in the exam requires your ability to memorize a concept and recalling it. Then this means that you must be capable enough to point out the correct definition from the given multiple choices in the exam. For example, we have studied the service management concept in the book, and a question asked in the paper is related to the definition of service management. The description in the problem is the same as the definition we have used in the book. You have been given four different terms for that specific definition; then, you have to select the best suitable name among four options that match the given description. Presently, this is the case of a recall or memorize difficulty level in the exam. In the test, there will be nine questions viewed as recall questions. Hence, it's vital to keep these definitions in your mind and remember them that we provide in this book. These definitions are available to you in the downloadable guide.

Let's discuss the second key term 'comprehend' that I have used in the above passage. If a question in the exam comes from a portion of what we call 'comprehend' which means that it requires your ability to understand something, then you must be capable enough to describe the definition of a concept or a term based on the choices given. It surely doesn't mean that you need to write the word to word. Instead, you may provide some examples, and the question asks you to select the best ITIL term or concept related to the example. A suitable name should be selected that best matches the example. With the help of this book, you will be able to learn all the ITIL 4 main concepts and can answer the questions asked in the exam without a lot of trouble only if

you are fully devoted to this book. At this stage, you must be thinking about how would you take the ITIL 4 certification exam and become certified? The good news is, unlike other certification exams, you can give this ITIL 4 certification test online while being in your comfort zone. You can go on the PeopleCert website or any other valid site to get yourself registered. To plan your test, you do require a test voucher; however, the fact that this takes care of the expense of the test itself. You can purchase the test voucher from PeopleCert on their site at \$349 cost, or you can go to any other website that is offering the same certification test. Once you get your voucher, you would then be able to plan your test date and timings since you gathered information on the key terms 'comprehension' and 'memorization' used in the foundation exam. Where to purchase your voucher, and how to plan your test, what is the next step? We should now discuss the test itself.

There are some key statistical data points that you have to keep mind. Firstly, the test is planned. You will get an hour for the entire test. In case you're not a local English speaker, however, you're taking the test in English, you can feel free to get an additional 15 minutes on the test if you demand it during your schedule arrangements. It is going to help you a lot as it will increase your time up to 75 minutes if you demand extra time. Presently, for us all English speakers, however, we just get an hour. Try not to stress; however, an hour is a lot of time for this test. A large portion of students finishes in around 30 minutes. There are 40 multiple choice questions in the foundation test like A, B, C, or D options, and you have to select one best answer. It means that you do not need in-depth (very detailed) comprehension and word for word memorization of ITIL 4 concepts to crack the test. You just need to be familiar with a simple level of understanding and memorization, and that's the key to pass the test. So the passing percentage required for the ITIL 4 certification test is 65% or above and to get the certificate. Which makes it 26 correct questions out of 40 questions. You have to answer at least 26 right questions. And to prepare you for the test, it is recommended to take the sample or practice tests before attempting the actual test. It will let you know where you stand in terms of your knowledge. If you require more tests to practice, then you should take the quiz questions available online.

At the point when you're taking a training test, I prescribe going for 75% or higher to think of it as a pass since this will give you a 10% security that if you wind up having a terrible test day or you get anxious when giving the actual test. It's just because each time you give the test, you need to purchase another voucher, and you just need to take it once. I've said that you will get 40 multiple choice questions on test day, yet they are comprised of three different kinds of questions. These multiple-choice questions are Classic questions, Missing word, and the last one List. We are discussing each kind of these questions here. Let's take the example of a classic question. For example, who is the founder (CEO) of Face book? A. Steve Jobs, B. Mark Zuckerberg, C. Andy Jassy, or D. Walt Disney? So if you are a Face book user (probably more than half of the world uses it), then you must have heard the name of Mark Zuckerberg. Such types of questions are known as a negative classic, which is being asked in the test. That is

represented by the word that does not exist in the question statement. So if the question statement is: which is not the name of Big Tech companies in the world? A. Apple, B. Microsoft, C. Kfc, or D. IBM? You can clearly distinguish between a food company (i.e., Kfc here) and a tech company. SO the right answer is C., Kfc is a very popular fast food service provider, and the other three are big tech companies. The second type of question in the exam is called a missing word. It is usually shown by '?' that shows one word or short phrase of 2, 3, or 4 words. Let's take a simple example: A _____ is a vegetable type? A. Apple, B. Banana, C. Grapes, or D. Carrot? You know that Carrot is the type of vegetable, and the other three are fruits. So, in the exam, you have to put the right answer in the blank area to check whether it makes sense or not. And then select the option in the multiple-choice questions. The last kind of question you can expect to come to the exam is a list question. There are no more than two or three questions like these in the exam. In the list questions, there is more than one right answer. There is a numbered list, and you have to select multiple options according to the question statement. For example, which are the five senses of the human body? One. Ear, Nose and tongue, Two. Brain, Three. Eyes & skin or Four, heart. Well, everyone knows that the human body has five sensing organs that are ear, nonsense, tongue, eyes, and skin. So, the options one and three would select in this case. You have to look for the options that correspond with the question statement. After all the details about the ITIL 4 foundation test, everything should be clear to you. Let's focus on the lesson now.

Service Organizations

Remember the time of your childhood when you joined the school; you may have come across the term 'Industrial Revolution.' It was the first time in centuries that an industrial revolution took place. You have taught that the first industrial revolution happened in the eighteenth and nineteenth centuries most across the USA and Europe. At that time, mankind moved from an agricultural-based, rural society associated with farmers into an urbanized industrial region that later formed into our nation's biggest communities. This specific movement gave rise to the growth and expansion of automation as textile and iron industries just as the benefits of the steam motor for our transportation needs. The Industrial Revolution was just the first; however, mankind moved into the Second Industrial Revolution at the end of the nineteenth century and proceeding into the First World War. During this period, our businesses extended to incorporate steel, oil, power, an addition to electrically fueled equipment to assist in the large scale manufacturing of products. The vehicle industry was also developed with the invention of internal combustion engines in the cars due to which traveling and transport services became significantly effective. Simultaneously, candle lights are being replaced with electric light bulbs, enabling us to work longer into the night as compared to the previous days when there was no such facility. Furthermore, the invention of the telephone was not less than a miracle, which made it possible for humans to communicate over long distances. Life could not have been much better than before; however, mankind wasn't finished investigating and discovering things yet.

Because of the growing demand and benefits, technology was continuously progressing, but there were not any big innovations that happened until the end of the twentieth century. The technology suddenly started to evolve tremendously around 1980, and a real major change occurred in the history of the world in the form of the digital revolution. The digital revolution was the Third Industrial Revolution, which was way more advanced than the second revolution. When it began, the microchip computer technology has been developed, which contains analog as well as digital electronics. This technology completely changed the lives of humans because humans started to use this technology in their daily life activities such as PCs, the Internet, and a wide range of technologies for information and communication. Thus, it became one of the essential parts of the human race. The technologies of this time are still in use of the organizations, but they have gone very much advanced nowadays. It was the time when ITIL first formed during the third Industrial Revolution. ITIL was initially created to provide directions and guidelines in the best way possible for the information technology organizations to run effectively. ITIL, as it was initially created, was an abbreviation that represented ***the Information Technology Infrastructure Library***. ITIL started during the 1980s as a path for associations to make procedures and methods to more effectively run their Information Technology frameworks. Thus, ITIL turned into the existing standard all around the globe for the service management of IT systems, in the last three decades.

As a human society, we moved from the 1st Industrial Revolution to the second, and afterward, on to the third, we're currently at a junction once more. Presently, we're getting into the fourth Industrial Revolution, and it is going on the present moment. The production of virtual physical frameworks has been evolving in the Fourth Industrial Revolution. In which different technologies are being combined and burring the outlines between physical and computerized domains. This revolution utilizes artificial intelligence technology, the Internet of things, mechanical technology, Nano innovation, and self-governing vehicles, thus significantly more. This mind-blowing development in innovation in the mid 21st century has completely changed our world as well as ourselves. Things being what they are, you might be thinking at this moment, why on earth we are investing our energy into discussing the historical backdrop of different Industrial Revolutions that happened in the lesson of the last hundred years? Well, I have directed you to come to this meaningful conclusion. Information Technology Infrastructure Library (ITIL) Four isn't its fourth version. Rather, it is ITIL of the fourth Industrial Revolution. ITIL is a brand name, not to be considered as an abbreviation anymore. It implies ITIL that doesn't mean Information Technology Infrastructure Library any longer since ITIL is something other than just infrastructure. It is considered to be a significant move in the manner that ITIL approaches and tackles the hurdles of IT service management dependent on this too.

Service Management

In the previous segment of the book, I have discussed the key point that ITIL is a detailed infrastructure for the service management of IT systems, also known as ITSM. According to this ITIL 4, the definition of ***Service Management refers to the set of expert organizational abilities***

and proficiencies which facilitate clients with their services in the best way possible to ensure value to clients. As we are talking about organizational abilities in the context of service management, this means that such organizations have a high level of proficiencies that they can perform all the functions necessary to provide the best service management. Now, if you want to carry out the best service management with the help of the ITIL 4 framework or any other framework of IT service management within your organization, and your entire focus is on to provide the best customer value and facilitate them with the preferred benefits. For this purpose, a company should bring together its employees to help the company's activities, practices, and procedures in the best way possible. Such exercises, practices, and procedures are like a motor engine that energizes the production of the company's items and their customer services. But, none of these exercises, practices, and procedures can be possible in disconnection. Therefore, the relationships that are made, raised, and supported all through the process of Service Management, are necessary.

In this segment of the book, we will talk about these basic ideas of Service Management that are used with the ITIL 4 framework as well as other infrastructures. After that, we will be going over the ideas of results(outcomes), dangers, utility, and guarantee to help you form a strong base before we dive into the major concepts of ITIL 4 that are discussed in detail in more than half a portion of this book. Even though the core ideas in this segment are combined for IT Service Management, that doesn't mean they won't be on the ITIL 4 test. We're going to cover every one of the three pieces of learning Objective A1, in this segment of the book. This incorporates learning Objective 1.1, which says that you will just have to review (memorize) the description of utility, service, guarantee, user, client, service management, and sponsor. You can probably get two multiple choice questions from this Learning Objective on your confirmation test. In this segment of objective 1.2, you will be required to depict the ideas of cost, organization, value, result, hazard, utility, and guarantee. On your test, two MCQs will come from this specific Learning Objective too.

At last, we will also be learning Objective 1.3, which expects you to demonstrate the key ideas of service relationships, including service contributions, service relationship management, delivery, and utilization of services. In the test, you can hope to get one inquiry from this specific Learning Objective. Thus, we should begin the topic of Service Management and its fundamental ideas.

Value

You must be wondering what this term 'value' means here? Well, in the framework of ITIL 4, the *term value refers to perceived profits, efficacy, and worth of anything*. Yeah, I know that the term is very common, but let's find out its meaning in the context of service management. The concept of value is essential when it comes to ITIL 4 framework as well as service

management. First of all, focus on this short definition of value that it is interpreted or perceived. *This implies that the significant worth of something is always abstract.* Now, who gets the chance to decide this apparent measure of value? The benefit is saved for the receiver of the value, i.e., a customer who receives the value. Give me a chance to help you explain it better. Let's suppose there are two flatmates, Ana and Maria. One evening, the two of them decide that they want to drink flavored milk. They stroll over to the fridge to get themselves bottles of flavored milk and find out that there's just one remaining in the fridge. They start to fight with one another that every individual truly needs that milk bottle for themselves. Ana says she values the milk bottle more, and she ought to have it, yet Maria rapidly answers that she values it more and that she ought to have it. Neither one of the persons discloses to the next why they need the milk bottle. Rather, they don't let them know of the worth they see that it has. In any case, being the storyteller, I know precisely what every one of them needs to do with that flavored milk.

So as you stepped up the price scale, as part of that service offering, you received extra services. Finally, let's recall the definition of a service offering one more time. A service offering, if you recall, is a classification of one or more products aimed at addressing the requirements of a target client group. Now keep in mind, as part of that service offering, it can also include products, access to a variety of resources, and service behavior. So we're going to describe these three elements before we finish this chapter. First, we've got products (goods). Goods are items that the customer is provided with. These items are passed from the supplier to the customer, and then the customer bears responsibility for this potential use once this happens. For instance, they will give you a phone that you could use if you went and subscribed to a new service offered by your local telephone provider. Now you're in charge of that mobile, however. You'll have to pay to buy a new one if you smash it. If you lose it and someone takes it. He/she makes long-distance \$500 calls every month, and then you'll get the bill. The products have been passed from the supplier to you, i.e., the cell phone here, and you are now accountable for it as the customer. Offering access to resources is the second thing a company can deliver. This indicates that a customer has access to the resources, or a license under certain agreed conditions is granted. Consider the same example of my imaginary website. Let's say; you can get access to the videos, the practice examinations, practical laboratories, and all the other material we have when you buy a subscription plan from my website. The criteria you agreed to when you signed in, you're provided with a license to use them in such a case. All these services are under the responsibility of the supplier, and the service provider must ensure that you can use them as planned.

This is where things sometimes get a bit complicated for customers. Also, the way the service provider provides its product may not be appealing to you. For example, because we are monthly fee-based service, our site does not authorize videos to be still downloaded. So, you will no longer have access to the videos if you stop paying your monthly subscription fee. Therefore, we don't allow you to install them all on your computer, because one week you could sign up for service, download all the lessons available on the website, and cancel it the following day. This

is the reason that we won't give that video's possession to users. We simply give you the right or permission to use it and use it as often as you like, as long as your account remains open. Now, if you do not like these terms, you will have to find another way to buy this lesson or any other lesson that allows you to have the one-time payment where you can get it downloaded and use it as much as you like. But, this is again up to your partnership with your service provider. As a supplier, we monitor resources and provide you access of the product under this contract. The last part that sums up the service offering is service behavior or product behavior. This term refers to an act performed to meet the requirements of a target customer. Consider a case when you create a website; you need a software tool for this purpose. Now that you have bought specific software, it means that you have a license for using its features. For instance, our company uses a software package as the basis of our education management system on the website.

We have to pay a one-time fee for the software, and thus, we will be granted the authority to use the features of software permanently whenever we want to, without any annual charges being billed. So, this is in the class of products, right? Well, apart from that, we should not get help and receive any upgrades or blobs for just the one-time fee offer. And if the software includes software updates and blobs, and we want these features, then we have to pay for that portion of the service offering, which is referring to service behavior. We, therefore, decide to pay the company an annual membership fee, and in return, we will have access to their personnel 24 hours a day, every day of week technical support staff, and we can discuss issues with the support team, and we also have access to all safety patches and blobs when they are going to be published. This is the difference between products, access to various resources, and the behavior of services. Items will be sold to the customer, and the user will be given access to the various resources on the terms of services in the contract issued by the service provider. On the other hand, service behavior will take care of things like online technical assistance and customer support fees. That's how you are going to remember the important concepts and definitions for your examination.

Service relationships

It's all about being a service provider, yet an organization needs to be more than just a facility. Just as relationships are complicated and sometimes hard in our love life, similarly relations between organizations and customers can be challenging too. So, what a relationship with service is and why it can be so challenging? Let's dig into the concept of a business relationship. ***A service relationship is a collaboration between a service provider and a service buyer that includes the delivery of services, service usage, and management of service relations.*** This is a concept that is quite simple and clear. Generally, the relationship is created when two groups or companies choose to work together. One of these entities might play the role of the service provider during this partnership, while the other becomes the customer or buyer. Let's take the same example discussed earlier in which I own a company's website providing services to many students, and you are the customer for the learning program we offer. You and I

have a service relationship in this case. It can be a lot, a lot more complicated. But here I get a little bit ahead of myself. Let's think about the delivery of services first. What is meant by the provision/delivery of services? Well, service provision is a company's activities to deliver the services. It involves control of assets of the service provider, preparation of the delivery of the product, provision of access to customers' assets, and the execution of the decided service acts. In addition, these services are supported with the help of service level management. The provision of services may also include the delivery of goods to the customer. Now consider when you are going to purchase your new mobile from the cellular supplier. You go to the shop, and the shopkeeper gives you a good mobile, right? And by providing you a new phone number, he activates your cell phone.

This will set up your new user profile, in this case, your new phone number. Then, they allocate various features to your account, such as voice message, then instant messaging, as well as a data plan and other items. You can walk out of the shop by the time they finish with your new mobile, your new number, and activated cellular service. All of that is your service provider's provision. And you're now going to act like a customer who's starting to do the product utilization. Service utilization involves all of the new cellular telephone operations carried out by an agency, or by an individual, that will enable you to use those new services. Service usage requires matters such as accounting, i.e., the cost of your account each month, and all the other activities that you carry out to use the resources of the supplier, such as to check your e-mail or to make a call on the new phone. Moreover, new service behaviors may be required to be carried out. You might be traveling from one place to another, for example, and you want your internet provider to allow international data roaming on your phone. Again, this is one of the things which can occur in service usage. If the customer does something, it is considered as service usage. Other practices are conducted by both the supplier and the customer in relation to service provisioning and service usage. And if they do these activities together, they try to make value co-creation possible on the basis of the agreement. This is regarded as the service relations management.

The most obvious things are things like making the customer pay their bill on time, so service providers don't cancel their monthly subscription, and they don't turn off the service. Or the service provider may have to check that the network interruption that could happen anytime is appropriately conveyed because there will be a system update next weekend. We call this back and forth communication a service relationship model. This model is related to service relations, which includes service delivery, service usage, and client relations management. This relationship is considered as a complicated part of this subject. So, let's dig into it. The business may be challenging, as I said. And this is why we need to understand the multiple partnerships included in any single service. Let's consider the example of having my own company and business website, and you are my customer. Let me make you clear your mind that this is the example of multiple partnerships in a single service. So, on our website, we provide our learners, both teachers, and students just like you, with online learning services. Now, whenever you

watch the videos on our website, which indicates many different business interactions, it has already happened in the background to allow it to happen.

For example, you belong to let's say, organization A. And you want to see a video on my website. But that specific video clip should reach to you to watch it. Yeah, that's because you have a service relationship contract with my company. You are the customer in this partnership, and we are the supplier of services. But we are also dependent on other service providers to do this job. For example, we outsource web-hosting service to a large media streaming provider with multiple cloud servers worldwide to ensure you get the highest quality with the maximum throughput, rather than having our web servers and hosting the content. Now, let's place the media streaming provider in organization Z. Thus, in the partnership between my company and the video streaming business, we are the customer, and the service provider, in this case, is the video streaming provider. But the service we use, the media streaming service providers don't have their web servers. No, they are relying on Google Cloud or Amazon Web Services instead. And it means that Google or Amazon will be the service providers, and the media streaming company is a customer too. Yet, to make it even more difficult, teams are operating on IT systems within the Amazon/Google.

They are the subscribers on my website and learning the same lessons that you're enrolled in right now. And, when they're logging in to my portal to view these videos, they'll be the customers instead, and I'll be the service provider again. You can see how this partnership can become very complicated and confusing. The fact of the matter is that businesses will be acting as both along with a service customer themselves with these four firms that we mentioned in this topic. With all the different relationships we have, I would extend every partnership for every product offering inside my organization because we're a small enterprise. If you're thinking about how complicated it would be for someone like twitter, or Microsoft, or any famous social media platform, it will make your head spin. Therefore, I would like to remind you that your company can be a service provider or a consumer of the service. Or maybe they're both. It all varies depending on the situation and the partnerships involved in the service.

Outcomes

As I addressed the concept of service above, I said that it was the method of enabling co-created value to facilitate the client's desired results, with the security that the client wouldn't have to deal with the expenses and threats. So, in this chapter, we will dive into a single word taken from the definition of service, i.e. the results, if customers intend to set up and control their assets of services instead. Now, let's take an example of what we're talking about here. I have two famous transportation companies operating in my local area. I've got Juno and Via. Now, it doesn't make any difference what you prefer. But I'm more likely to take Juno myself than Via. Now, I love transportation services, particularly when I'm going to the large commercial area for a meeting or event, or when I need to get to my home or something like that from the airport.

Now, I've got the desired result as a client. With a decent amount of cost, I want to travel from location X to location Y in the shortest possible time.

For example, I didn't rent a car for the last tour I took to NYC because I just used Juno and Via to get to my hotel from the airport and from my hotel to different places in the city for my work. Now, this helped me to get the desired results, which was travelling from location X to location Y in very little time and with less trouble. Then, I was able to minimize my total cost because I didn't need a rental car, as I used the Juno application. I didn't have to spend \$75 a night for parking the car at my place. And for that rental vehicle, I didn't even buy fuel. I didn't have to purchase rental car insurance. Here you get the picture. I was able to get rid of many expenses because, as a client, I paid for the service whenever I used it, and I was capable of achieving the desired result, moving from location X to location Y. So, if we talk about the associated risks, I could also reduce some of the threats. For instance, I usually find parking very difficult in big cities, especially near areas of the city which I must visit for work. And when I used Juno, I could remove the risk of not having a free parking area once I arrived at my destination. Therefore, I simply get out of the car without worrying about the parking.

I also removed the risk of someone robbing or trying to break my rental car and steal my bags when it's parked. All those kinds of issues are gone, and, so it's not a thing to be worried about anymore. Now, it seems you're getting the key concept at this point. The various car-associated risks and different costs can be minimized if someone uses a transportation service. And as a rider, I can take advantage of the service by using this transportation app rather than booking my car whenever I need to go on a business trip. But I now have to equalize it to the other side of the ledger. There are some risks and costs that I expect when I choose to use Juno or Via rather than booking my vehicle. First of all, the service provider imposes costs on me. In addition to the current service cost for getting from X to Y, I also need to keep a mobile phone running the app. And I need to make sure I've got a data package on that cell phone. And I have to ensure I have sufficient battery capacity of my cell phone. All of these events will happen so that I can link the application from my mobile to their web server, and the closest Juno cab driver can connect to my phone so that he will pick me up from my place. When I'm in a big city with high parking ticket fees, the traffic is often heavy, and there is a large number of drivers in the town, so when I need a cab, it's fastest for me to have the Via or Juno. However, in a case, when I am moving towards a remote area, I would like to hire a car because it serves my purpose very efficiently. Due to the reason that it will be less risky for me that I won't find a parking area because the parking in these places is cheaper and we can easily get one. Also, the traffic in remote areas is not an issue because it is outside of the main city.

This is the main idea of considering both the pros and cons so we might come up with the idea to find out what gives us the maximum value. So, in all these case studies, we talked briefly about the results until now. There is also a similar approach called as outputs, significant to understand when you take the test. *An output is a deliverable material or immaterial object, or an item produced through an operation.* Now you need to learn the difference between an output

and a result for the test. Services from one or several outputs promote results. So, what is that about? An output might be a document. It might be a phone bill you get at the end of the month for using a particular service. And if you use an email service, then it will be a mail. They are all known as the outputs. These are the material objects that appear as a result of using the service. Now, however, I want to think substantially about this concept. Consider this online lesson. The output is the final content you were currently reading when I wrote this lesson. But, this is only the output; it's not the result. Then, what is the result if the written content isn't?

Well, you're aiming to achieve the perfect quality of material from this manuscript. The result for students like you who want to pass the ITIL 4 test lies in all the content of this book as well as other material available online. After learning all the ITIL 4 related content, if you manage to complete that, then you have obtained the results you and I wanted. This is an important subject that people commonly misunderstand it because outputs are easily measurable, but the results are not. Creating an overview and writing all of the content we're going to study in this book is less than an issue for me. Let's take another example in which someone is running a website on which he uploaded all the ITIL 4 related content and a lot of videos, and he gathered all the information by studying several books and online courses. That person may be already teaching this subject in any university or academy. Or, he has passed the ITIL 4 Foundation test and helping other students in their tests. I just want to say that the person has a lot of knowledge about ITIL 4.

As I have mentioned that the person made a lot of videos, for instance, we could assume that there will be a hundred videos in his lesson. And if he has already shot 50 clips, then he completed 50% of the lesson. And so he made 50% of the consumer product. Now, that is calculating outputs. It does not calculate the results. Does he know that the right proportion is a hundred videos to help students by watching from start to the end and pass the test? If the end result is students passing out the exam, then the right way to measure won't be one hundred videos. Perhaps only 50 videos are needed or perhaps 150 videos. He's starting to figure it out and measure it as he goes along. And as he finds out which content is useful and which isn't, he incorporates and eliminates things to the lesson to ensure that students are capable of passing the test. The output is always a part of the final result, but it's more than mere outputs. So when you learn about the final results, I want you to note that it isn't only the created outputs, but you will also attain it as a result of the operation and this interaction.

Returning to Juno and Via example, the final result, in this case, is that I move from place to place easily and reach on time due to services offered by those enterprises. The purpose of taking this lesson is not that you've been sitting here and watching a hundred clips for a specific amount of time or whatever. But it's focused on you passing the foundation test. And that is the result both students and the coach want to accomplish here. Now, as a fact, results can be more abstract where outputs appear to be real, such as objects that you can reach out and touch like documents and records etc. It also means outputs can be calculated more accurately because they are the consequences of an operation. Therefore, you need to be careful not to calculate only

outputs while creating product metrics. You have to think and focus more on how you will evaluate your final results too. Otherwise, you'll find people working on that framework for you and play with you. These people will do many things to make you look like all those outputs are quite high, but you will never produce the desired results you need. So always care about it as you construct the metrics. So make sure you evaluate the end results, not just your performance of outputs.

Costs

We're going to talk about costs in this chapter. ***Cost of something is defined as the amount of money invested in a specific business or resource.*** While costs are generally described in terms of finance, it can also be expressed completely non-financially. Let us consider the same example of a person who owns a business company and runs a website and uploaded his many lectures and several videos of the ITIL lessons, but this time the person is me. Thus, if we make a new lesson here, the cost and the number of hours spent creating the lesson are calculated. A standard class such as this could take 500 to 800 hours of effort for all our team members. This is generally described in man-hours or FTE measurements. The term man-hours are also called hours for people because we want to give everyone equal chances here. Whereas, FTE is the abbreviation of full-time equivalent, and it is used to calculate things based on a single employee who works 2,080 hours for the whole year which is calculated as 8 hours per day x 5 working days a week. It is the full-time working hours of one employee. If we want to host all our lessons on a web server, half of an FTE or half of the annual working hours of one person for the whole year may be needed. It specifies the number of employees needed for full-time equivalents for a specific activity.

So, if I want to calculate things from a work hour's point of view, it eventually results in financial cost. Most of my company's members get a payment, and if it requires someone half a year to manage the web servers, which means half their income is related to having and running the web servers up. It will eventually return back to its cost. But if we glance at our records, we'll observe that we give more value to the time things take than the amount of cash spent on them. You can now choose to compare things based on the person-hours, the man-hours, the full-time equivalents, or using real dollars that are invested, depending on your company. Either way, the supplier aims to reduce and minimize costs by offering a service. If a service provider may save your money more than even their service will cost you, you'll be looking to use that service. I know I'd do it.

Let us suppose, my web service provider has different internet speeds enabled that we can select and use in my office here. We might select to pay \$70 a month for 200 megabits per second link, or \$200 a month for 2000 megabits per second link. Which plan are we going to choose? Okay, in this case, because of all the videos we make, we post a lot of big files. And when we checked the internet speed we were buying; we agreed that it was worth it to pay twice money a month for a 50 times greater speed because it spares our office staff a lot of time and

effort uploading those files. It was an easy choice because spending a little more dollars per month on the high-speed internet service made my workers more efficient, saving us a lot of extra hours of work and that more than paid for the extra costs and labour benefits we could get. If you look at the price, that's the point. If you're trying to outsource a product and charge for its service, you need to ensure that it gives you more value and benefit than it costs you. In our situation, we are offered 150 times more value by investing twice on the internet. And so it certainly was worth it.

Risks

I have already addressed the term risk (dangers) a couple of times in the book. But in this chapter, I decided to dig into it in a bit more detail. The term risk refers to a possible incident that could cause damage, failure, or prevent you from achieving your goals. It is any incident that could affect our ability through our facilities to co-create the value. Generally speaking, when most people seem to think about service management threat, they think about it from the perspective of a new machine installation or a project. Still, the risk is also available in our services. From the supplier's point of view, our objective is to reduce the risk for our clients using our utilities. Risks are closely related to costs in this way. But like cost, our clients will believe that as part of their usage of our services there will be some new risk. Let's recall my example of riding with Juno, where I was a passenger using the app to get trips around NYC. I eliminated the possibility of not having a parking area for a rental car as the company removed my need of having it in the first place.

On the other hand, I now run the risk that if the system crashes; I will not be able to call for a Juno, or what if I'm in a no cellular service area? Or what if the battery of my mobile dies? These are all new risks to my desired result of moving around NYC. Now, as a service customer, I can also participate by taking some mitigation measures to minimize the risk. Or I can carry an extra charger with me. So, as a user, I reduce the risk that I can't call for a Juno when I need the ride because of my dying battery. I may also inform Juno driver that, if I'm outside the town, I might not get enough drivers in a certain area, because I'm finding it hard to use their app in the more remote areas. If my demands and requirements are conveyed more clearly, the service provider can decide if they can better address them.

The company may decide to pay a discount or bonus to their riders who will operate outside the central city in those remote areas. This strategy could boost the number of riders on those roads and getting a cab easier for passengers. It is now up to me as a user to express my requirements clearly to the service provider and to specify the results I want to obtain. I must also ensure that I express any shortcomings or major success indicators I might have for the service. It means I'm placing conditions on that service provider, right? So what do you think? As a client, the service provider can also impose conditions on me. For Juno's case, they need me

to have a mobile phone, a reasonable data plan, and the ability to transfer my GPS coordinates to their riders through my phone's location tracking app.

After all, this is a two-way road; we are all co-creating the value and reducing the overall threat. Now, as risk is a possible future incident that could cause damage or make it harder for anyone to accomplish our goals, we might do some things to reduce that danger. So, what are the precautions we can take to reduce the possible risk? There are four things that we can do about risks: risk can be avoided, risk embraced, risk transferred, and risk minimized. Now when we want to avoid risk, we seek to remove it from the system entirely. We can't eradicate the risks of a product because the risk is something embedded in everything that an organization does, to some extent and some level. But we can completely avoid those threats. Let's assume, for example, that you manage a platform that allows readers to read your article. Perhaps you're anxious about the new privacy rules and don't like to worry about keeping all of the information of the article viewers, safely and correctly under the new General Data Protection Regulation requirements. Thus, if you turn off monitoring information about your reader by deactivating any cookies, you could easily avoid these problems.

And you also remove any requests for their email addresses and other things like that. If you're not collecting their information, you no longer have to protect that information. Now, this may not be the best business decision. Because most businesses want to be able to track their customers and contact them by email with offers, so while you can avoid this whole situation, it's probably better if we found a better way to handle this risk. And that brings us to accept the risk. And you also delete any queries for their emails, as well as other such items. You no longer need to protect that information if you are not gathering their details. This might not be the best decision for the company, correct? Because most enterprises want their customers to be tracked and contacted via E-mail addresses for new offers, it is better for us to find another way of dealing with this risk, while avoiding the entire situation. And that just takes us to understand and accept the risk.

You look at the cost of securing from threats with this strategy, and you look at potential odd results and consider that it's actually cheaper to pay to take the risk and paying up for it when you are captured. Returning to our example of privacy rules, I have a client who is in a company based in Canada, outside the European Union. Because of this, he's taken the approach that he doesn't care about compliance with the GDPR rules because he is a Canadian living in Canada and he's got a Canadian business. He's not specifically targeting European clients, but he's measured the risk if they choose to go to his website, so he thinks the risk is minimal that the EU will try and find him or even catch him if they do. He has, therefore, made no moves to change the way his company runs or the way his business operates. He will do it exactly as he did before GDPR, as he did after GDPR. This is known as risk tolerance or acceptance. The next action we could take is that we can now choose to pass the risks. You may not want to be accountable for all this private data gathering and handling, but you still want access to that information.

In such case, you will be interested in hiring a service provider to collect, save and access the personal data for you. This is a form of transferring risk. Another alternative might be that you pursue the path my Canadian friend has taken, and if you are sued or charged, he will simply have to pay insurance. It passes the responsibility of risk on to the insurance company, as you paid to pay it an insurance fee to take on this risk for you every month. Our last risk solution is what is used most frequently. It refers to mitigating risks. By incorporating risk mitigation, we can take measures to minimize the risk even if it does not eradicate it entirely. Let's recall the privacy data example in which we can access and manage the reader's personal information if we want to. So, in this case, we can add new applications of technologies in our system to protect the data integrity and to implement new procedures as we manage the data. It can help us mitigate the danger and will eventually secure it for viewers, which is also one of the GDPR's desired results. However, a hacker can still enter into our system and rob all customer information. In this case, we may have lowered the risk, but we have not eliminated it completely. This is the concept of mitigating risks.

Utility and Warranty

Every student of ITIL simply needs to understand the concepts of these two terms: utility and warranty. During your training and in the real world, you will see these terms over and over again. ***The utility refers to the usability of a specific product and service to satisfy a specific requirement.*** That is what the company's product or service actually does. The utility is what we call fit for a reason. Okay, let's look at the warranty for a while, then we'll compare and contrast these two terms, as differentiating these phrases is something you might see on the test of ITIL. ***Warranty is the guarantee of a product or service that can satisfy the specifications agreed upon.*** It's the way the service works. Warranty is about the willingness of the company to do what it has to do. This is often labelled as made for usage. Now, let's take the example of an automobile to compare and contrast these two terminologies. You are a client who demands to drive a car from location X to location Y, and you need to reach fuel consumption of minimum 40 miles per gallon. So you reside in a place where the weather in the summer gets really warm and gets really cold in the winter; therefore, you want a nice, cool air conditioner and a really good, warm heating system. Now let's consider these conditions and decide whether they meet our utility level.

Note, the utility is about something fit for a reason, and if I have a family of four, I can accommodate my spouse and two kids in a four-door car like a Ford Focus model. So, the Ford Focus would be "fit for a reason" to carry my family from location X to location Y, and it would fulfil my utility operations. Besides that, if I purchase a brand new Ford Focus, it will surely have sufficient fuel consumption and a nice AC and a heater. Thus, it will also fulfil my warranty standards. Remember, the made for usage rule is for warranty. Does it satisfy the customer's specified requirements? So since I'm the user, I'll say it had a gallon of fuel consumption at least 40 miles away along with a working heating system and air conditioner. And the new Ford Focus is sure to meet those needs. This means that it is considered as made for usage. Now, let's

say I purchased the car for a couple of years, and my wife's got another child. We've already got two children, so this little Ford Focus won't be very good anymore to carry my whole family around. It won't be for a reason anymore, because whenever I go out for dinner as a family, we'll have to bring two cars now, as we all probably won't fit into the Ford Focus.

The warranty may exist there because the air conditioning unit and heating system are still working, and it still generates 40 miles per gallon. But it is simply not possible to achieve the expected purpose of getting us all from location X to location Y. There are insufficient seats and limited seat belts. And because the utility is about fit for a reason, this Ford Focus no longer meets my requirements for utility. I hope you will understand the difference between utility and warranty in this small example. Note that what service will do is a utility which is riding from location X to location Y. And it must be perceived as part of the warranty that how the service will do it. This gets 40 miles per gallon and keeps the car's temperature normal. It shouldn't too warm or too cool.

Another key thing to remember now is that both utility and warranty are necessary for any service to run effectively. We mostly see people focusing on the warranty in the IT industry, and they just underestimate the utility. If I have a service running on a magnificent, scalable cloud technology that can concurrently support millions of customers, this is a warranty. IT folks like warranty, because the measurement is easy. You have a good warranty if you need a product to have a specified and agreed condition and you satisfy certain conditions. Guarantee simply requires a product to help in the user's performance and eliminate the user's constraints. When, on the other hand, users can efficiently use the product/service to share their latest post online that will be known as a utility.

If the service is always up to date, it does have a good warranty, but it does not operate the service which the user wants it to do, which means that the utility of the service is not good, the service will simply fail. If both the utility and the warranty are not present in the service, you can't run a successful product. Let me give you a few suggestions for the test. A dead indicator of guarantee is if you start discussing issues such as availability, power, security and continuity. These measurements of the infrastructure apply almost entirely on how service does and make it suitable for use. These are, indeed, warranties. On the opposite, when you talk about how it works and does it help anyone to obtain any result, you usually speak of utility which is fit for a reason. Again go back to the example of a car, could it move from location X to location Y? This is called utility. How many miles it gets per gallon and how long the engine will stay up and how cold it will get. All of these are warranties.

Dimensions of service management

Major dimensions of service management

We will be addressing the four aspects of service management in this part of the book. So as we do, this will contribute to the description of four dimensions of the IT service management

from the exam's perspective. This is called a two-goal stage Blooms, which means we'll have to explain these four aspects in detail. Obviously, we won't memorize the definitions, but we have to learn how this approach works and how it fits the Information Technology Infrastructure Library. Now, as we speak about the four aspects of IT service management, we are really speaking about four different viewpoints. So if I have the quality in the centre that I want to co-create, I do it using multiple goods and services that I sell to my client or my buyers as a service provider. Now the end-user and the client has this product, which they are interested in, to get the desired value and that means I need to supply it to them. Therefore, I think about it from four different angles when I go to produce a product or resource, and we name these four viewpoints as the four aspects of IT service management. The first one is people and organizations. The second dimension includes information and technology. The third is suppliers and distributors, and the last one is value streams and procedures, and on the other hand, I have these external factors all around it, which will affect the products and services we make. Now, in this entire chapter, we will talk about each of these four aspects and the external factors.

Organizations and people

Now, this is the first dimension that we will take into account. Although we have mentioned those as one, two, three, and four for the purposes of ITIL, they are not generally in a given order of thought. They're only mentioned this way so we may have a way of presenting it to you within this book. So I really believe that we should talk about organizations and people in the first place as it is one of the toughest to get right. When we're learning about organizations and people in the context of service management, we're concerned about how we're going to build the governance structures to help the services and products we bring to our users, who are those buyers and clients. When we speak about these structured organizations, it could be something as big or macro as the way we establish our company. Will our corporate business be sole ownership? Will it be a limited liability company? Will it be a multinational organization? Will it base in the U.S., or will it be premised outside of the United States?

All these elements are standardized systems of organizations. We arrange the corporate hierarchy within any company or large enterprise. Will we have a very lateral company or very diagonal organization? Let me show you a few examples of that. We're pretty flat in terms of hierarchy. And that means we can directly talk to each other since we are small. We don't need to go upward across networks of bureaucracy. However, in some places that I had previously worked, they had hundreds of thousands of workers. I simply can't go and talk openly to the Director, like somebody in IT. This is simply not how it works. I will negotiate it with my boss, and my boss would speak to his supervisor, then finally, the managing director might get my message. This is an organization very perpendicular, or you may call it vertical. So, when you plan on how to arrange your business, these are things you need to keep in mind and follow them. If you're going very smooth and diagonal, it means you can do things faster, sooner and more

productively. The term diagonal represents the horizontal structure, and lateral or perpendicular means refers to the vertical organization. But you need to be much more procedure-oriented in case of a vertical structure. And so these types of queries occur when you start thinking about how will we deliver our items and products through an organizational structure that is highly formal? Also, how will you split up the business if you think in terms of organizations? Are you willing to split your business into marketing and advertising for one department, then into IT infrastructure as another, and then into the support centre for the next unit and admin department in the end? Well, it all depends, and it will all come back down to the hierarchical structure of the organization.

After that, you have to find and work with people when you are done figuring out what that framework is? We need to find the right person to do the right work. This is the essential recruitment and expertise. It is part of all of those human resources. We will, therefore, have to bring the right managers and senior leaders in these kinds of departments after finding out that we have this association and we have all of the separate departments that we have established. And we would hire all the right staff for those departments. And then we have to ensure that these employees keep their skills up to date. I have served in Information Technology for a long period of time. It had been 15 years or more. And machines are totally different now, and our way of running computers was different than we did 15 years ago. Throughout the process, my supervisors and my management had to make sure that I was learning new skills and knowledge so that my abilities and expertise remained with the latest technologies in today's world. Then we must understand each person's duties and responsibilities. What is the role of each individual in this business? What will they do? If you are the all in one person, and you sometimes need to be everything in small companies, where you've got anyone who's going to be the professor, writer or salesman, right? This is the concept of responsibilities and duties. I've got some people who always come and say to me that they want to get into the IT industry or they want to be an IT professional. I ask them what they would like to become in IT because dozens of different job opportunities are available in the IT field. You should understand the objective and the job role you want to accomplish so that we can find out the proper way to get you there.

It takes us to our fourth strong emphasis on organizations and people. And we're calling this a culture. As we speak of culture, we are reflecting the company's shared beliefs and values. And it's the toughest thing to do exactly right. So when you see a new business in the tech industry, most companies start-up, they have a very welcoming environment. It is very casual. You're able to get to the company's manager and say like, "Hey Bernard. How does it go?" However, if you work for someone like Amazon, that's a huge company which depends on procedures and policies, and everything takes place in a very formal manner. So, that's a different environment. Looking at FaceBook or looking at IBM, and then looking at a hospital example, they're supposed to have three diverse cultures. Now, which one of these companies are rights and which are wrong ones? It all depends on how a company manage it so that it can look after the association and the people working for it. Now communication is another part of the tradition,

so can we do it individually or by mails? These are all the things within the company that are considered as a cultural thing. How high are the company's honesty and openness? What does your manager say about the organization's intentions? They're sharing the vision or not? Are they sharing aims and goals? All this begins at the highest rank and then goes down. When you're terrible at top culture, you'll have a bad lower culture. So we have to make sure we get our people with the right culture.

At last, when we talk about representatives, we want people who have a sight where they would like to be and people who are committed to the principles and purpose of the organization. So when we say that, the main thing for us is to ensure that we take care of our employees as a family, but then you send them away from the company whenever your people have issues and throw them out, who don't live up to the principles that you set down. And, when you think of these problems, you need to make sure whether this culture works together or not.

These pieces are all when you think about the whole organization. Then we've got its other side, which is the individual man. Every person in a company also has a lot of things, right? Every person has his or her style of management. Your Chief executive might have a vision, and perhaps the same vision or a style of management is different to your first level manager. And that will be a problem. And so when we begin speaking about organizations and people, we need to keep these things in mind. We must also take care of the people in our organization, and update their skills and talents as I spoke before. How do we interact and work with our team members and outside our community? How will we share our technical understanding and share all our expertise? Then we want to focus on how we can promote the creation of value and profit because it's all about tradition, organizations and individuals at the end of the day to do something meaningful and productive. Therefore, to create the product and to build such a service that provides the customer value. We will not be in business for a long time if we are unable to create value to our customers. And that's why we need to consider it. As we conceive about services and products, the first aspect from which we look is through the perspective of the organization and the employees. How we will build up the organization, how it will operate, what kind of cultural heritage it will have, and how we will take care of employees so they can produce and offer those products and services.

Information and Technology

We have the information, and we have the technology in which we will keep the information. It is the viewpoint that we refer to these two separate things. When we discuss the technology, all these things will be dealt with by an information technology professional regularly. These were the computers, databases, cell phones, the laptops, routers, switches, etc. but it's really divided into two different subjects when we think about technology. The IT infrastructure will be supported by advanced technologies, and they will also assist the IT service management. There's a clear distinction as you notice. Now I'm thinking about the IT facilities, and you're Juno, let's say. You provide a transportation service. So which types of technology do

you need to deliver service? If you have to send the right rider to the exact location, you need data centres and infrastructure, and you could use cloud technology and cognitive computing, or you can even use the blockchain if you take cryptocurrency for a transaction. All this is the stuff we must do to get your customer with that service.

On the other hand, we have the equipment to help manage services, and when it comes to technology that supports the management of IT services, we talk about things that enable the company to do its job. These things are like managing the workflow. It could be your resources for customer support. It could be interactive cooperation to log in and customize these IT services, certain servers and cloud services. It may also include the service provided to the end-users with items such as mobile applications or stock management systems, but these are items business needs anyway. Let's say you may have an IT service management technology, for example, an Intranet SharePoint channel that serves you based on knowledge. So, it wouldn't be an IT services technology rather an IT service management tool. Certain technologies will be identical. You could use human intelligence in each of these areas, assisting end-users of IT facilities and then supporting the end-users of IT service management technology. In both areas, you can use these things. So this is the part of technology.

Let's now talk about our goods and services for the information side. It is certainly the main direction to achieve this consumer value. You supply information, so supervision of this information is vital. And you provide the service of data mining, so its outcomes as information are very important for you in this case. Management of information has many different risks, but all those various things need to be done so that information can reach the point where it keeps adding customer value. These are things like guaranteeing that information is available, and that information is accessible. The information must be accurate and precise and must be applied. All these are different aspects from which we analyze information; therefore, we are going to potentially have some valuable information if all these six aspects are available. Is new technology compatible? Does it create any sort of budgetary issues, legislative, compliance or information privacy management issues? If I decide to hold more private information of customers, how can I secure it, for example, since laws and regulations require me to secure it? Next, will this remain usable in the near future?

Will it be perfect for the next four to five years if I spend a great deal of money to switch to this new server? Or is it useful for just six months? We want to reconsider if it's not perfect for the near future. If we think about technological advances, will it correspond with the supplier or the customer strategy? Considering the example of our website and online lessons, we just got a plan of where should we go. And which kind of lessons we want to teach, although I may be able to take 40 or 80 different lessons, our portfolio will contain only about 15 or 20 lessons, which is why we correspond with our strategy where some other things don't. You must know what is in alignment with your plan and what isn't when you consider this from your business. If you run a tech company, you may need to have things that develop computer systems; you do not want to start medical services in this company. It's not the product alignment. Next, we will talk about

does the company has the right number of skilled people to help and preserve its technologies? Let's say; I want to shift my servers to the cloud, so do I have professionals in my company who know how to operate at Azure and AWS, because I will need their skills, and running cloud database server is different from running our servers.

The next step we have to consider is that in the future, will it have sufficient automation skills and function with fewer people? Because we always try to keep the workload to a minimum scale. We certainly like to automate something that can be automated. Another thing we would like to know is: does it have extra functionality for other goods and services that we can use? This is a decent example because when you think about it, that's how AWS actually began its journey of cloud computing. In order to sell more products, Amazon had to begin setting up huge data centres, but since they did so, they developed the endless amount of competency, and they mastered it, other companies would like to get this ability as well. Perhaps that could also apply to my company. I am going to buy anything for one competency as I am doing another kind of new competency. Still, it gives me other competencies, and that can now apply to my list of goods or services, just as Amazon did for AWS. So eventually, if I move everything to the cloud, how will that work out of a strategy to prevent data loss?

If we consider taking a risk, it will return to our corporation's culture. For illustration, let us consider, when I have a small business in an IT industry, I definitely might not like to take a lot of risks according to the complexity of my company's business and the community I have. These things are things I will take into consideration what advancements I just made. Should I get the cutting-edge that is riskier, or should I consider something more secure, tried and tested? Possibilities to talk about but the fact of the matter for this examination is that we use information and technology to develop our services and goods and find out how this information technology can affect the business in the long term.

Partners and suppliers

Our third dimension is partners and suppliers. Partners and vendors are the companies and the people, but they won't fit into one single aspect. The reason is that we are deeply oriented as we think about organizations and people. We are going to discuss our company and our organization and the people who support it. We will talk about partners and vendors in this lesson. First, let's look at it: the supplier and the consumer of service are here now and have that relationship. In chapter two, we have already brought this up. So, people consume a product or service when we think about this, and there's someone who offers it. We can be the supplier of the service in our organization and sell products to our clients or our service users, right? However, we probably accept offers and services as well, and in that situation, we are the customer, and someone else is our supplier of services. It could be our collaborator; partner or it could be our distributor. It will now rely on your organization's approach, whether you are using a supplier or a manufacturer.

Do you think it's something that is important for our company's business? And if so, it is definitely more appropriate if you take it as a partnership. If it is something not so serious, it can be in the relationship of the supplier. Let me give you an example: my organization works in partnership with organization A and organization B. Thus, organization A is the one who will evaluate you for an ITIL 4 assessment and organization B is the one who writes the examination and all the books. Due to our relationship with these organizations, we have accessibility to resources for a whole year before they are available to readers. This provides us with a lot of time to get it, read it, understand it all and then create all the practice exams and the lessons. We are ahead of time with all the targets. Organization A and B deliver all these things as part of our relationship and, as we link ourselves to them in this collaboration, we provide and contribute to all these important business functions to them, and they receive input from us. You may call it a relationship or collaboration. On the other hand, when I consider the case of the supplier relationship, let's say my company has a bunch of photocopiers in our office.

Now, if you need to have a printer paper or printer ink and toner, that's what we call a supplier. I will go up on Amazon, I will buy several things, it will deliver them to our office, and we will have paper, toner and clips, etc. for the organization. It doesn't matter to me what Amazon will do over the next few months to ensure the supply order continues since I can grab someone else for it when Amazon stops providing the printing resources. This is a commodity. However, if Organization B wants to shut down and no longer offer the certification, then it is very important to our business, and we need to think about it. This is the distinction between this partner relationship and a relationship with the supplier. You've got a lot more purchase in with a partner. You've got communication in two directions. You could display schedules and roadmaps. For example, when the next section of certification comes out, Organization B will already tell us. The first level is the foundation exam, and then more other exams require you to earn a master's degree certification.

We know the roadmap already and when these exams will happen so that all these products can be built into this partnership. I don't care if a supplier like Amazon will alter the paper type they will be delivering next month unless its size is eight and a half by eleven and is white, and a printer prints it, that's okay for me. Yeah, when it comes to collaborations with a supplier as compared to a partnership, it makes a big difference. Now, your vendor strategy will be affected. You could have a lot of multiple vendors. I served in a very large company with thousands of vendors because we had a hundred thousand workers. So, we wouldn't have to negotiate personally with all these people. We appointed a third party called a service integrator instead, and it was their responsibility to handle all of those service providers for us. And so we would pay the integrationist and make sure that they reach out and handle the relationships with all these various organizations, and also ensure that we now have the products and the deliveries we required.

So these network integrators can be beneficial if you are integrating into a range of different services and a variety of different providers. To sum up the dimension of partnerships and suppliers, you're going to work together with your partners to achieve the desired outcomes you want, and where you hold common objectives and risks with the partner and make sure you are together in this business. We are all in it together, for example, Organization A and Organization B and my company are working together. If Organization B doesn't sell exams because its brand falls, then workers don't want to have certification, and that also offends my business. We all must be in it to ensure that the product remains good, that workers want it and that the certification remains important.

On the other hand, if we start talking about vendors, we take it as products and services. This can be achieved by way of formal contracts. The division of roles is clearly defined. Let's say I'm paying z dollar amount and I'm getting z bandwidth. Or I get z quantity of cloud hosting or z quantity of papers. No matter what those things are, it's all managed and deliverable by contracts.

If you do that amount of work, I'll pay you for it. When you export a product, it is viewed as a supplier and not a partnership. Now, all the services and companies may have partnerships or acting as suppliers, will depend on other companies to a certain degree. You can't do anything without other partners around here. There's always someone who is doing these things. For example, you may have a Windows service that offers you Microsoft Office when you pay the fee. You can pay a membership fee to your Internet supplier for using internet bandwidth for your businesses every month. There's a part of partners and vendors, and all these things are about management and integration of services. The service incorporation and governance requires the use of specially designed integrators in order to achieve optimal coordination of service relationships. What does this definition mean now? Okay, there are plenty of different elements here if you put your focus on it. For example, when I examine my website, I see that my website needs a programmer to write a code for it.

I need a graphic designer to add graphics on my site. I require someone who hosts my website on a web server. I've hosted the recordings of lessons on another web server. So I need someone who handles the credit card processing. We have five or six different service providers involved to operate a basic e-commerce website. I'll get more suppliers if I decided to list them all. Well, we can integrate the service within the company, which means that I can work with all these suppliers individually and ensure that the product is working correctly.

I can also outsource that to a service integration manager. And if I appoint service integrators to do all that for me on a contract basis, they will go out to all those suppliers, get all that stuff, ensure the product's efficiency and then send me back the desired results. If so, they will become service suppliers for me to do service integration, and I will be the customer using their services that I have just purchased. Can you use the services of a service integrator? Well, that varies depending on the strategy of your company. Your approach will be focused on your

priorities, your community and your work environment when it relates to vendors and partners and integrators. A lot of other things are happening, and it would help you out in finding what the strategy of your vendor is. However, you just have to focus on the vendors and partners for the test. Partners are closer to us in our business, vendors appear to be more merchandized, and if you are able to hold this clear, you will give a good exam.

Value streams and processes

Value streams and processes comprise the final dimension of service management. Quality flows and processes must identify operations, workflows, controls and methods necessary to accomplish the agreed goals. These are things such as the organization's operations, the way their activities are planned and the efficient and effective manner in which value creation is ensured for all shareholders. Now let's keep this in mind and continue with value flow. A value stream is a step by step process conducted by an organization to create and deliver goods and services to its customers. This will incorporate all the value chain operations of the company. And we will spend plenty of time discussing processes in the value chain. We actually have a whole chapter on it. Allow me to give you a quality stream illustration. A quality flow will have a number of steps. Allow me to show you three steps. I want to go to dinner today so that I will go to a restaurant by car. I'll go inside and walk up to the counter, and I'll order the cheeseburger and fries. This is the first step, the cycle of ordering or order process.

And I get to step two where I will wait for my meal to cook. And then step three, they will give me that food, and I can eat it. It is a value where we will switch from the raw resources, take orders, make the food, and then return the burger to the customer so that he can have his meal. This is a three-step quality flow. There are some processes in it, such as frying the cheeseburger, adding the ketchup and the sauce, and then bringing it to me at my table. All of this is value-added. This brings me worth, and so I pay for it. However, certain elements are not adding value. For instance, if the fries are cooked, the oil is wasted. In fact, this is perceived as waste. You will throw it in the trash and pay to take care of it. This is an event that adds no value.

There are also activities, such as they have to throw away this wrapping of all the cheeseburgers. It is also a waste. I leave my cheeseburger and create a mess when I'm leaving the table. This is an unnecessary operation without value for the company. And they will waste time and money cleaning up this mess. Some activities bring value and waste in everything we do. And we always aim to reduce the waste in businesses so to increase the value. So, that was an example of value flow processes. We apply these three steps in almost every business. We will take the order of product or service, we will make it, and we will deliver it. And these are events that add value. However, there are also some waste processes along with the added value.

We want to maximize the value flow so that we can reduce the number of activities that are not value-added while increasing the amount of value-added events. After we do it and make

it right, then we want the process to be as automated as possible. Let's get back to the example of cheese hamburgers for dinner. Well, if you recently went to a Burger King, you would have noticed that they moved to automation. The orders-taking procedure is removed and the cashiers eliminated. They have these huge tablets placed in the shop, and then you go there, order your food, and pay by credit or debit card. It erased what they thought was an unnecessary added event of non-value, i.e. taking your order from a cashier. Now they work on you as a customer and focus on preparing and delivering the tasty food to you. This is the principle of enhancement and automation here. Now, what exactly is a process when we look at them? So, it is just a series of interconnected or interacting events, which converts some input into an outcome.

We have created processes for a special purpose. We had a value flow in my previous example that consisted of one process with three different events. The process involves the activities of placing an order, the production and the delivery, and we have reached a certain goal. Our objective was to get Peter his dinner. And this is what we call the concept of process. Give an input, a certain number of activities take place then get a result. If you identify your processes properly, you can increase your production efficiency and can also maximize it, so that the automation gets accomplished effectively. And therefore, in this dimension, we have gathered both of our value flows and processes. We will ask ourselves a few questions while looking at our services and products. We'll say: "What is the standard service delivery method of this company?" What steps do we have to take to make this service work? What are the processes, mainly? And which set of procedures give us the right value flow when we placed them together? What are the quality streams that will help deliver the negotiated service outputs? Let's recall the example of me running a website and hosting my lessons videos on it. There's a variety of things that can happen if I think about giving learners the delivery of this lesson's videos. And I divide them into value flows, and each of these parts, each step, is the process inside of it. We need to think about what and how each service action is going to be done. Once, break it down into the different procedures so that we can grasp it. This is why our fourth element is called value flows and processes. If we look at this, we find out how we can send customers this product or service through specific processes as part of value flow.

Service Value System

The service value system will be explained briefly in this section of the book. It is now related to one of the exam's objectives, namely to define the value system of services. For this examination perspective, you will also make sure that you fully comprehend the service value system and its components. Let's begin with what's the term SVS mean? Well, it describes how all any company's components and operations team up as a system for the co-creation of values. These components and actions are all connected within the organizational resources and can be flexibly designed and redesigned based on factors in numerous different pairs. In this way, all various operations, procedures and teams within the organization, as well as specific authorities and roles, must be combined and organized through order to make it fully effective. Some companies are far more versatile than other organizations.

Some are tight and stiff in their ways, but you can use this service value system very rigidly and flexibly, depending on your company and its culture. It depends on your company and how you handle it. Now the primary function of the service value system is to assure that the utilization and management of services and goods within the company constantly co-creates value for all the shareholders. Now, it's three basic elements that we'll see when we discuss the SVS model. In this model of ITIL 4, on the left side, you see that we have demand and opportunity, which is our input. We have value on the right side which is our output. And then in the middle, we've got operations and all other stuff which we are going to discuss right now. We have the service value chain in the middle, and we will talk about the service value chain in a whole chapter of this book. You have governance and practices in the service value chain as well; we will learn a great deal about practices in its own section.

It's the last three sections, and then within item four, we will discuss 34 various practices. Then we have leadership or governance, which is how the organization works. We spoke a bit about leadership before, and in this chapter, we'll discuss it again. We have then the guiding principles and constant improvement. However, the guiding principle is vast, so we will spend a whole chapter on it. So I would like to say, welcome to the service value system before we go any further, and in the next lesson, we will begin to work on opportunity and demand and value, these inputs and the outputs.

Opportunity, Demand and Value

In this section, we are going to discuss the inputs and outputs in the form of opportunity, demand and value. If we look at the Service Value System, it will take inputs from demands and opportunities, and it will carry out several processes and activities. Such processes are carried out using guiding principles, the leadership and continuous improvement to get an output in the form of value that we intend to share with our clients and buyers. If we talk about these inputs, the first thing we have is the opportunity. Opportunities provide ways or options to create value for shareholders or strengthen the company.

We will discuss some examples of this here. Let's take the previous example of my website. So now, if we are going to discover new industries or new clients, we must develop a new product or a new service. There are many different ways in which we can find out these possibilities and then market them so that we can contribute to adding value. As a partner, I am not able to sell vouchers to the students when I first started to teach ITIL. And let's say my students went to organization A to buy exam vouchers after they finished my class.

The students would then order their voucher, pay upfront for the exam, and then take the examination. The issue is that they must pay the full market price. Now, one thing we can do is to do a partnership with organization A and B so that we could get those coupons and buy them in large quantities. By doing so, we will get them on a cheaper rate and resell to our students

with half of the market price. So now our students can visit our website, purchase these vouchers, and could save about 50 dollars off the actual cost as they buy it from us. It was one way in which we could offer a product to our customers with more value. It's not our service because we are not providing it. Instead, we only purchased the vouchers in bulk, so we will sell them out and pass them on to students. Thus, it adds value to our students because they can now purchase their learning and certification tests at a much lower rate from us. We planned to take this opportunity, and therefore we have built up different procedures and practices so that you can receive your coupons in this way.

Now we will discuss demand as our other input. So demand is when the internal or external customers want or need some of your services and products. So how does demand look like? Well, if you are running a company, you would get it every day. In my case, I've got students who complete an exam, and they tell me in an email that, they passed the test. Then they ask: are you offering this new certification? Or, if you provide this certificate, I'd appreciate that. So they act as a client, and outside customer, who wants and demands a service from our organization. I have already told you about the certification in the first chapter of the book. The ITIL4 Foundation test is the first certification exam, and then there are other high-level certifications. Many students who pass the foundation test, they could ask us if we offer the next certification exam. So, what we can do in such situations? We could provide that course as well to our students who have passed the first one. We can take input from them and work on it, which helps us decide the goods and services we will offer. The students mostly want more of the hands-on experience of our training lessons. So, rather than just watching a video lesson, I can build labs in which students can log in and perform actual actions.

These are the types of things the demand has generated, and we have now created such goods and services that can come from the other side and give our students value, through our service value chain and the SVS. It gives us the results of the service value system, which is its value, i.e. the output. And in this regard, the Service Value Systems will allow a wide range of stakeholders to create many different kinds of value. There is also a value that an organization gets when we talk about value and see it from a service perspective. So when we spoke about the test vouchers, we get a benefit from doing that. When we purchase them all and do all the processing, we keep some money, and we make some profit from it. So my company has value in doing so. We need to pay our workers, and we have to pay more expenses to do so. For our other participants, our students, there is also value in this offer. Students get 50% off rather than paying the full market price.

So, that's helping students save so many dollars and giving them the right thing. There are quality and value we offer you. We could have other organizations' interest. For example, I would have some contracts with many schools. They will buy these coupons when they go through the ITIL 4 lessons and teach their students. But they don't purchase it for the same price we do, because we buy thousands of such coupons a year. And it's a much less price for us. And so we sell these vouchers for the groups of students of 30 or 40, to these colleges. And they are

going to get coupons a little cheaper than a single student because they will be purchasing so many of them. Again, we are valuing the same service or product for a range of different investors here.

This situation can occur in the process and operation of the Service Value System. The enormous server farm was built by Amazon to host its website, and they go so that we could sell it to other firms as well. And they provide services; it's called web services from Amazon, i.e. AWS. And this means that they can take it and give various shareholders a different value. It is the main idea here. Therefore, we see the Service Value System from left to right, in which we look at possibilities as inputs, new businesses, new clients, new services and new products and what the people want, internally or externally, to purchase. We then see the value for all these internal and external clients, the organization, business, all your users and buyers on the output side. This is the concept of SVS. Bring something in, add value, and get the desired results out from the other side.

Governance

We will discuss the theory of governance quickly in this lesson. And in the service value system, you will see it. It will be part of that internal component that takes our possibilities and our requirements and works around this middle of the SVS to bring out the value on the other side. What's the term governance means, now? It is a way to control and manage an organization. I have used the example previously. When you think of your government, like the United States, congress here, do the governance. They provide for legislation and regulations to be followed by the rest of the industry. Well, you're running leadership within your company. Those in the C-Suite can establish governance. It could be your company's Chairman, CEO, or other senior managers.

You must establish the way the company is directed and managed, and then transfer them to items like rules and regulations and benchmarks through governance. The centre of ITIL is a governance structure, but it is not a governance directive structure. It won't tell you to must follow all that ITIL says it is. Instead, ITIL is a good practice, and you can develop ITIL-based leadership and governance. If we look at the leadership of your company at a broad macro level, this is the way you will be doing everything. You can figure out how you manage things like change management, with the help of procedures and activities.

Whenever you need a new server, there are 15 multiple steps and many different approval processes at that level to undertake this process. This is a governance part. The entire idea of governance is the way how you regulate, organize and run your organization. And, if you talk of governance like regulations, that's the main idea of it in your organization. And it is a component of the service value system, as governance is what you are building up your processes and your activities to ensure that they adhere to what is outlined in the organization's strong governance system.

Guiding Principles

The seven guiding principles of ITIL 4 will be examined in this section of the book. Now that is valuable because two test objectives covering these seven guiding principles are on the examination. First of all, the nature, use and engagement of the seven guidelines should be described. Secondly, the use of these distinct guiding principles should be explained. And it is beneficial because we won't necessarily have to memorize or find out what the guiding principles are. However, we need to describe and classify them, which is a level two effort within the examination. If I provide you with a scenario and describe all of these guiding principles, then you have to be able to select and say, this guiding rule is related to this scenario. We have to talk about what is a guiding principle before we explore deeper about everything. Well, the guiding principle is a recommendation, which in all circumstances guides a company or business.

Guiding principles are used to direct a company in their work by adopting a service management strategy and adapting ITIL guidelines to their own specific needs and conditions. It implies that all enterprises must incorporate the use of multiple approaches to service management into their overall approach. The way you manage services and the way I manage services may differ, but we should both be centred on the same fundamental principles. It is because these governing principles are universally applicable to each program. Such guiding principles will allow us to support and encourage our companies, through their continuous development throughout all stages, as we talked about adopting the guiding principles. As I said, these are universally applicable to all projects, but also all of your various shareholder groups. So, all of these people have to be addressed when you learn about guiding principles as we speak of consumers, buyers and investors in the organization.

The Focus on Value rule is the first guiding principle. It can and must be implemented to all the shareholders and the corresponding value concepts with Focus on Value rule. We will not only acknowledge the consumer's interest, but we also want the customer's interest to be taken into account. We want to look at the value for the supplier. Everything that we do and every service which we offer must bring value from all these different users and shareholders. And so, we look at this thing as we consider the principle of Focus on Value. Now, I will not use only two or three of these principles as an organization. However, I should think of all the seven principles to decide which ones are important and how I should use them for each scenario. Five or six of these principles could be applied to your businesses as all of them will not be critical for you. Then you'll need to go through each one of them like a list, to ensure that you think analytically about your products and services. In doing so and evaluating each one of them, you have a way to decide if they are suitable or not and will apply to your company.

So far, I have listed many of these principles, but I didn't even let you know what they are. Okay, we will concentrate on the seven fundamental principles throughout the rest of this chapter.

Focus on Value is the first guiding principle, whereas the second one is Start Where You Are. Progress with Feedback is the third guiding rule. The fourth is the Visibility of Promotion and Collaboration. The fifth is Holistic Thinking and Work. The next principle is to Keep it Simple and Practical, and the last one is to Optimize and Automation. Let's begin with our seven guiding principles.

Focus on value

We are going to discuss Focus on value principle. This principle says that all the companies operations have to relate explicitly or implicitly to its own, clients and shareholders ' value. Now, how can we use this focus on value rule? Now, when I talk about focusing on value, there are four stages in this method which I like to use. First of all, I want to know and recognize the user of services. Who do I try to serve? If you recall the chapter of value, we always use a co-created value between the supplier and user of the service. I can comprehend the service user's perception of value if I find out who that service user is and how they intend to use my service. For example, a student is using my service who wants to watch lesson videos for passing out the ITIL 4 certification exam, and then I need to know how he wants to use it. Will the student plan to use his laptop all day or will he be on a cell phone? And does he have enough mobile data to watch the videos if he is using his mobile device? Or will he download the documentation and all the videos in advance?

These are all things that we must take into account when developing our service and how we can offer our customers the best assistance and value. After that, I try to relate the value to the desired results, and these results will change over time. I used the example of ITIL 4 certification exam many times. You take this lesson so that you can clear the test. Then you can return and read the book (or see the video lectures in the previous example) again after you cleared the test. But now, you do not want to clear the test, and you have a different objective and expected outcome. You did that already. Then, you want to go back and analyze and become smarter in some areas, so you must take this time and use it for your business. That's why we get two different results. One is a group of learners who read the book or look at the videos for the test. The other set of students take the lessons to improve their work and can apply ITIL 4 within their organizations. And that's the fourth step to us. And the last thing I see is to understand the experience of consumers and clients.

Now, that's all about how your client uses your product or service, what they try to do in it, and do you do it in the best possible way? For example, in the case of videos lectures, a mobile app may be made by my company to allow you to use your Android or iPhone for all your videos. That could work well if many of my clients use a mobile device to consume our data. However, if we notice that all of our users use this product by sitting on a computer or a tablet, then it's not worth spending money on creating an Android or iPhone app. Thus, there isn't

much value there. This is the idea when we consider these four steps. There are a number of key factors when we look at the app. You would like to know how your clients use every service. Besides, you want to motivate your employees to focus on value because you'll have a variety of people to help your consumers as your company and business grows. That could be technical help. It could be client service providers. It could be sales officers. They could be company managers.

Regardless of what it is, the entire office has to understand what the value is in order to meet the clients' expectations, and then we can make this a leading vision for all employees. We like to do this when we focus on value during organizational activities and enhancement plans. Every day we focus on value over the entire production, whether it works today or to improve it tomorrow for future use. Finally, I need to ensure that every step of any enhancement program must focus on value. I have to find out what parts I should improve if I choose to go back again and rewrite the book. And I'm considering the value for my customers or my students who will get it. If I go back to this chapter, I have to add something new that will improve it and help you better grasp the topics, and allow you to take more advantage of it. I am talking about this idea. All we do is to focus on value for our customers and us as suppliers.

Start where you are

We continue with our second guiding principle. It's a very important principle, as every time you enter into a company, they already have processes and services in place, even when you're a new employee. And if you are active in enhancement programs, you will realize that we don't want to begin each time with a blank canvas and create a new service or procedure to provide a voucher delivery to my clients. Whenever someone comes to this platform to buy an exam coupon, you should see how the process is done. And then, you can figure out what is the better way to do this. But if you don't begin where we are at that moment, and you start off the beginning, you will spend a great deal of time and resources on things we are not doing today. And there is definitely value in the way we are doing it right now.

And therefore, when you are involved in an enhancement plan, I do not suggest you get started unless you first look at what you can use. If you decide how to proceed, you need to consider this based on the precise information gathered by your direct analysis, supported by relevant and efficient measurement. So once again using the same example, if I've brought you in, you will see how we currently achieve our voucher. If you came to us before, you would have noticed that a customer would purchase it on this platform from our shopping cart, which would notify me through email. I ordered the voucher, bought it, sent it via email and forwarded the email to the client. It was a manual procedure. I would then go and buy the voucher, take the voucher, e-mail it and e-mail it back to the student. If you checked it at that time, you might say, I can do this way faster, and I can even simplify it. We can do this task in multiple ways, but if

you looked at the way we did it, you would know the right steps to take for this process. We would have to purchase the voucher from other service providers, and then we would give it to our students and receive its payment from our students.

So we must learn about these steps and find out the current steps and the speed of the process and to know the pressure points. You will solve them when you try to go ahead, and some of the pieces from which you start are helpful. Some of them won't be useless to you, and you will push them away. It is achieved by calculating the information and measurements used to help your observations, instead of simply replacing it with nulls and numbers. We focus too much on other aspects in data analytics, and we handle certain basic things we need to look at with our own hands. Our voucher process was very simple if you checked into it, but that continued to work as we started out, because maybe we sold two vouchers a week. We sell lots of vouchers a week now, and if we were to do all this manually, it wouldn't work; it would take a lot of time to send to our students.

We have worked on it with the help of calculations, so we had our time down, now in just five minutes we are delivering a voucher, and a lot is automatic. There are few segments of the process that are still manual, but this is only because these processes run in this way. We're gradually improving it to reduce the time needed to give our consumers greater value and experience. Now the calculating process will affect the outcomes, which is important to think. As you go through all the things that are happening and attempt to measure it, the way you operate can change as you know that they are being measured, this happens very much within the service desk environment.

When you measure how fast a call is resolved, you will see that your first-level operatives will close the trouble tickets. Turning back to the Burger king's example, let's say every customer in the car needs their food within 1 minute, so we don't try to give the customer good quality food any more, but instead, we try to get them in and out within 1 minute. So you have to be careful about that. Thus, measurement is useful for businesses. We use a lot of measurement, but make sure that you calculate the right stuff, and it's not the objective in itself. You evaluate things to decide that the results you really want have accomplished. We spoke about this earlier when we discussed measurement outputs versus measurement results. It is an important idea to keep in mind. So how can we really enforce this guiding principle as we think about continuing where you are? First of all, I want you to think as objectively as you can. You could come to a new location, and they let you in since our current service management model is terrible, you are going to be hired.

When you come in, you would uninstall all they have and start it again. Check out what else is there; find out what is important and what you can draw on. You can decide which good practices or products can be reproduced or improved across the company, and you can also decide to eliminate the flaws and the issues that must be changed or removed. In your decision-making process, you want to add your risk mitigation skills if we eliminate everything and

continue from the start. We'll spend extra time and take a lot of chance because something can be repaired way easier than creating something new. You should also understand that sometimes it is impossible to reproduce from the current condition and that you just have to generate a blank canvas. So, whenever you do that, you need to consider the way transformation can be made. Let's take the example of me hosting my own website and sharing video lectures on it. So, my website would be a good example for this concept, when we shoot the video, my website will be updated and improved. And not only is the website itself updated and its feature and graphics, but the entire core services were recreated from scratch.

We had a pair of hundred students in the start, and the existing vendor was good. When we expand, they may no longer meet the demand, and their methods are not working well for our company's long-term goal. Then instead, we design a whole new system from scratch. We've got a brand new OS, completely new databases, a new cloud platform. And the whole application layer is developed, which deliver the lessons itself. It means that we are taking a huge risk because we're moving from something we think operates to something we're trying to operate. Managing risk and reduction are very important, and one of the aspects is when we have split up the phase implementation of moving stuff into pieces. When we first introduced the new website, we did bring the home page, but we dropped the shopping cart, the old content and lessons. Now, we bring parts of the shopping cart, and then we add the big stack, that is our training management program. We do this in very calculated phases over three months.

And when we're through it, most of the old website data won't be reused again, it'll be discarded, as most of it will not apply to the new systems and products we have created. And, sometimes it happens, but I would encourage you to always look at what you can do to reuse the old content for the existing system. In our situation, many of our old lessons could be reused, and our practice tests could be reused, our PDFs and our videos could be transferred to a new website so that we don't need to recreate those lessons again. But many of the services and products underlying the structure are reconstructed from scratch because it cannot be used again. When you begin from where you are, you have to know what things you can recycle when you move through your organizations. So, what should you start with? This is what we are using as our second guiding principle.

Progress and Feedback

Our third guiding principle is progress iteratively and feedback. So, if we operate in a time box iteratively, feedback cycles will be built into the system. This will enable us to be more flexible and to respond much more quickly to our existing client and company needs. In addition, we can identify and react earlier to our flaws and enhance our quality factors. All of this relates to doing things in an agile manner. There are two basic ways in which we can create things when

we learn about project management. It can be done by using a method of a waterfall or by working in an agile manner which is more like an agile methodology of Prince2.

Now I have to discover that latest vision with a waterfall, but until everything is done no one can use it. For instance, I would do this if I were planning to build a mansion. I'd find out where the mansion will be built. Before I can give you this mansion, many specific things should happen. I need to ensure that the basement has been dumped, I have to make sure that the walls are up, the power is installed, the plumbing, the drywall, the painting are ready, everything must be prepared, and you can then enter. It may, therefore, take me 15 months or 20 months until the mansion is ready to deliver. Now, if I did these things in an agile manner, I might probably make a room in the mansion first, and you could move into the room and stay in it. Now we can build the rest of the mansion around you and give you a bedroom one by one, two rooms, then three rooms, and then the whole mansion. In a mansion, it doesn't function well, but you can use it very often in IT and services.

So you need to reflect on that when you build service in IT and also on how you can move with responses iteratively. It means that we will divide the work into smaller, more convenient pieces. For example, if I create an android app, once I launch it, it may just have one feature and then the second function is inserted, and then the third function. I could do it sequentially or at the same time. I'm able to make this inconvenient, smaller pieces of code, and then when I make the most out of it, I can hear the audience's suggestions that we need changes in it or we need more of it. And that leaves me with some real results, did I hit the target? Do I have to switch to another thing? It's also great as I get reviews on time. It might only take me almost two months to create if I add a section, and you can tell me, you know that this feature isn't good for me because something else must be added.

Meanwhile, if I've been waiting a whole year, you're staring at it and saying, no! I don't like it, and then I need to work on it for another year. And construct on them in order to improve them in future.

Now, this feedback cycle is important in it because I get reviews from my end users or my investors when I produce such small modular parts. And the feedback cycle is a condition in which part of this output is now a new input operation. Since I give you some code you may therefore say, I like this program, but it does not have a green icon. I want a green button to have it. This will now become an input, which will be returned to the second version with a green icon. Response questionnaires from customer care are a perfect example of this concept. If I run a call centre, after a call, I will receive user feedback I helped, that says how much you were satisfied with us? If you aren't, kindly let us know the reasons, and we will work on them. Then I can use it to incorporate other stuff into the process. Now that we do things iteratively and we do things in those smaller pieces and receive that feedback, we can have those initiatives.

And all the elements break up into these tiny pieces are continually reconsidered to respond to changes in our conditions. Perhaps the demands will change, perhaps the market has changed. The number of day sites was enormous if you visited many years ago. Then everyone would just bring them out quickly and see what happens, but you definitely won't do very well with them if you try to do a deal on the site today. So instead, no one needed that service if you saw that it didn't come onto the market, you would tell me, and what would I use from that?

Now we will have all of these items split into smaller pieces of code like we have discussed before because of our desire to improve iteratively. Those systems, processes and services could be smaller. Now, we will take our program and split it into these different elements, and we shall get feedback across each of these iterations. So, as we collect the feedback, we will start to reconsider our entire code and will cause changes in our next release of our products depending on that feedback. Now that we search for all of the feedback, we have to ensure we don't simply gather it and don't do anything. We want this review to be used in reality. We want to use this before, during and after each of these repeated cycles. This is why, as we tend to use these feedback cycles among all clients, it allows us to understand the origin of the project, where the outputs of this project go, and how this impacts the final customer, and their affected results. We get more feedbacks from knowing all of this, which helps us to work better.

All this has to do things in an agile manner since it's excellent for marketing. Therefore, I want you to progress iteratively by taking help from this lesson and feedbacks, as you move through; you will do things by understanding the whole, but making small pieces towards your goal. So when I talk about building that mansion again, I have to think how will the entire mansion look like, but I'm oriented on constructing one room at the present moment. This is how one bedroom can be built, then the second, then the third room. If you do this in a service or software environment, we create these modules to provide us with the full service. Also remember that, when we think about it, feedback is vital.

When I sell anything in the market, I can hear from my clients that this feature doesn't matter to them, that the service doesn't matter to them, so we need to step forward and do something else. The other thing that I want to remind you is that fast doesn't mean unfinished. Although I give you just one feature or one piece of code, this feature must be finished and it must have the ability to do the entire function it is made for. But then, a second or third function might be introduced to the next version. Version one product was pretty much complete, and there are two features in version two and three features in version three, and you continue to add as you move on. The whole idea here is that we can bring out things more quickly in the market, and we can receive feedback and include them in our future iterations.

Collaborate and Promote

Our fourth guiding principle is known as collaborate and promote visibility. It is all about working with our employees and even our clients as we discuss it. We have a program that contains the right kind of people playing the proper role. We are benefiting immensely from enhanced buy-in, higher value and an increased chance of long-term success. All this requires cooperation and teamwork. We have to exchange data. We have to establish and maintain trust. We have to create understanding. We must realize that when we collaborate throughout the departments and come out of our small compartments, there can be a real achievement. For example, if I build a new product and want to develop it all entirely in the IT sector, but the marketing team will be affected, and it will not work in the long term. When we create this Product for customers, I should instead bring people from the sales department to work and collaborate with us. Since we better acknowledge their roles and expected results. We know how they will operate with this system. Therefore, in working together, we will get a better product, which will also improve visibility in the other aspect of it.

They should realize where we are in the process of developing. It will make them happier and will help them learn precisely where we are, and if we reach our goals, and we will get the product out on time to do what they need. If we look at this, people in all of the shareholder communities are looking forward to the positive collaboration. You don't have the real answer alone, but we can find better ideas if you collaborate with everyone else. The service provider also has to work with its clients. The programmers must cooperate with operations. The distributors will cooperate with the company. All these alliances will provide an excellent result for us. What will happen if there is no accessibility, and there is no good visibility? Well, we start to feel that work is not a primary concern here.

For example, I am creating a website for some marketing department, and they don't necessarily understand that I have 20 other activities to work. They only know about one task, so they will think their task is the most important thing. They may only want a little change on the website. Maybe some font shades they'd like to modify. Does it matter to change fonts rather than fixing something down that costs us money? No, because you don't have contact with them, they don't know about it. I go through it and tell clients that I know it is your priority, but this is not the top priority at the moment because we have more important tasks to do. This is how you must be transparent. You need to show people the location of your outages. Tell them what you work on and show them a view of when you get to your specific problem. If you are not visible enough, your work will lead to bad decisions because someone above you might not comprehend all the things on which you are working.

Your supervisor comes up and says that the marketing manager came in and complains that the font is grey, not black. I want you to change it at this moment. Drop all other tasks right now. He may not even know that you are currently focusing on a server failure that prevents your organization from processing payments for your debit cards. And it costs you, say a hundred thousand dollars per day. This is more crucial than changing the grey to the black font. Therefore, you have to care about this type of thing. Make sure everyone gets to see what the organization

works on the side to side. It helps everyone to understand the workflow. The technical problems and the excess capacity that exists can be identified.

And we can eliminate duplication and make sure we all work much better. You might have some kind of a panel while you work in an agile area of growth, which demonstrates what people work on at the moment. What type of work is being done, what work must be done, and what work has been done. It is an ideal way to enhance visibility. The agile strategy I see is what is known as a radiator of data. This is a broad panel in a central area that displays the performance map of already completed work, the threats we have found the problems and other important information. This table shows what we are focusing on. That shows us what you have and what you're operating on. It's completely transparent. It is eternal in cooperation and visibility. I need you to think about that as we talk about the key elements of cooperation and visibility. Collaborating does not mean to imply consent. What do I say by this statement now? I want you to work together when it gets down to it. I need you to work together as a team, but somebody is responsible for the task at the end of the day. Someone is responsible for this service, and that person has the authority of decision making.

They will consider the feedback from all the suggestions they get, but essentially they are the decision-makers. This is why cooperation, communication and visibility are essential because the decision-maker will decide which path to follow and how the service will be created. Next, I would like to remind you that communication is a vital element so that people can hear and understand it. I won't tell them about bits, bytes and all of the technicalities of the service when I'm going to work with the marketing department. Now, we will think about outputs and results. What are they looking to get from this service? What will they bring in and what do they expect to come out? Speak to them so that they will be able to listen and comprehend.

Furthermore, keep in mind that only noticeable parts of the project can be decided. So if you have a lack of good visibility and you are not well aware of your pain, your problems and your risks and don't understand them all, governance can't take the right decisions. It's also part of that cooperation and visibility. Try to ensure that the information reaches to the right people at the right level to make good decisions.

Think and work

Holistically, think and work. This principle states that we must follow a holistic approach to service management, and this ensures that we have a comprehensive view of all the working components together. Take your car, for instance. You sit in your car and drive it, and your output is a dynamic part of your machinery. If you have a holistic view of your car., there are various systems, from engines to braking to AC control that all need to work together to make

the machine working. You have to understand it better and how it fits together. Now, as someone who drives a car like me, do I need to know all the components of the vehicle? Of Course not, I just need to learn the holistic approach to it. I can, thus, fully understand its usability by putting the key in the car, turning it and letting it drive me to my destination. We now need to make sure that we consider all four dimensions when looking at our IT services and ITSM because it will ensure that we view it holistically. I would take the information and technology aspect, the value flows and procedures as well as my organization and individuals once again.

I'm going to ensure that I have a clear, holistic approach of how the service works when I use these four aspects of IT Service Management. I will take a strategic approach by looking at the input, the opportunity and demand of Service Value System, as it moves through the centre of the service value chain, along with the leadership and the continuous enhancement and guiding values. And then I can understand everything more holistically with the use of those two frameworks, its four dimensions, and this value-for-service model. I want you to know that infrastructures are complicated, and you need to know that many inputs and outputs are available. So I have to look at everything from a holistic field. Things are seldom as easy as first, second and third steps. In general, steps one, two and three are there, although they are influenced by a number of processes or steps outside themselves. I'll have the website and the software for a web server in case I use something like it. It is, however, an underlying OS, an underlying database, network, it's all connections that are all interconnected.

If I understand how complex a system is, then I'm able to understand its simplicity on the other side of it. I am going to explain it here. We discussed cooperation in the fourth guiding principle, which is an important element of functioning holistically. Cooperation is truly the key to holistically think and work. When I serve in IT, I would be able to understand all bits, bytes, networks and communication. But maybe I don't understand what the bigger company is looking for as an outcome of this service. I have to ensure that when I look at this service, I cooperate with the people who will sell the service and those who will market it. Those people who support the service and if we all consider it from all different angles, then we are able to ensure that we look at it in a holistic and integrated manner. We want to try communication patterns among our various system components, where possible. What are the inputs or outputs of the system that will affect the performance of that system? You must consider all its complexities to make something really simple, and when you know the complexity, you can get it back into a simple representation.

For example, I worked with a company recently, and we tried to gain knowledge of how their network security posture was created. There were so many sub-systems in their network security system that are all worked together to give the company a good network safety posture. We had to move on to people from the various programs running across security stack to understand what the difficulty was and how to reduce it. So we started to improve the program when we did that. The other one has four and five functions. The other program worked four, five and six and each of the interactions between all these various systems would continue to be

deeply complex. Then, we can just see as we go back from a holistic security perspective. Again, you need to understand the difficulty of something first if you want to keep things simple. Then you can try to minimize the complexity and ultimately depict it as an efficient solution. Eventually, you may want to use the automation when operating holistically. When we take the example of an incident management process, the service desk will definitely be the point of entry for any accidents that the company reports.

They're your help desk in the first row. They'll sign them, categorize them and label them, but then the system could use automation to ensure that they're placed into the correct department to work in. Let's say; you're going to call the support team if you had a failed hard drive. They'll place it in a token, and people who sponsor hardware equipment will be redirected over here. When you have difficulty accessing another team, and it will work throughout the whole organization, so in this case, the IT service of incident management will be holistic across all employees, and we will use automation to provide support for it.

Keep it simple

Our next guiding principle is keeping it simple and practical. Perhaps you heard this rule many times, i.e. Keep It Simple, Stupid. We are going to discuss it here. I want you to think result in your mind if we talk about this rule. This is what we call the outcome-based approach. If you first start with the outcome, you can go back to all the different phases that you will need to take and to get from the inputs to the results you want to accomplish. We would, therefore, like to use outcome-based approach to generate practical solutions that provide effective end-results with the minimum actions required. But to get there, we must turn back to our fifth guiding rule to look at things from a holistic perspective on the functioning of the organization. I probably won't get a simple and practical method which is going to be effective for our services if I don't know how the organization works. I want to continue with an effortless approach when I first try to build a procedure or a service. We can always add it later, but we have to begin with the smallest number of steps. It means that fewer phases will break down and less progress we have to bring in front of it to see if it truly works for us. I would like you to establish this approach for the most common scenarios as we go through and create it.

For every case, you don't want to seek a solution. Let's say, for example, that you manage the company's service desk. For this business, you run the whole incident management front-end process. When clients call and inform you about their issues, you will check if it best matches just one of three segments. The first segment could be a reset of a password. The second could be that the system won't startup. And the third might be that the network is not accessible to your computer. You may build processes for each of these three most common scenarios. However, not every call will be one of these three situations. Some of you may fall into the fourth category. You wouldn't want to build a solution for every single item. Instead, just build a fourth category

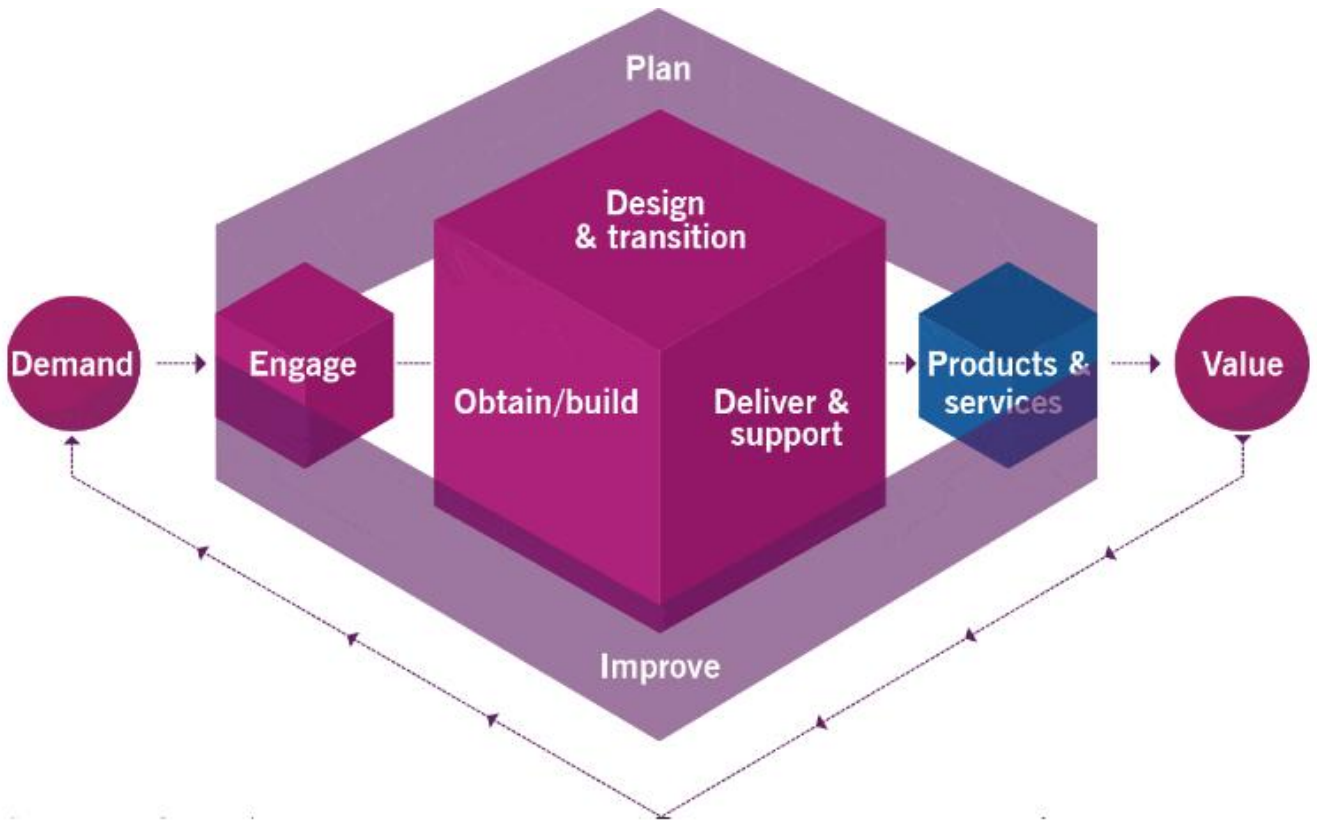
that states that if someone calls and asks for one of these items, then the request is managed manually. And then we'll need a person taking charge of it and doing something. While we could finally get something easy for those three scenarios, try to ensure that it is realistic, and automate that approach.

Now we can be conscious, in doing so, of how we will achieve the goals and the results we want. That's the advantage of keeping it simple. You can start quickly by earning fast wins, make sure you have got value, and the simplicity is the supreme sophistication. You really could do things quickly and easily by doing fewer items. This doesn't fall into the three main categories; while using skilled work, you can then focus your team's time on those people. The time for the people involved will be valued. Returning to the resets of passwords, a company with a large service desk of 20, 000 customers, approximately 80 percent of the calls are made due to the reason that people wanted to change and reset their forgotten passwords. So when we developed and streamlined the system, it got automatic and easier for them and gave them greater value, and helped them to work faster.

Moreover, it released most of my work, because they do not attend phone calls anymore from people who try password resets. I can instead take those people and direct them to other things, to the difficult problems that required their attention. It is, therefore, easier to understand and more likely to be noticed, by keeping things simple, and is really the best way to achieve the quick wins and encourages people to adopt what you do.

Service Value Chain

The next important chapter from the exam perspective is the service value chain. We will discuss the fifth major objective in this chapter of the book. It implies that the operations of the value chain and their interconnection need to be understood. There are two sub-goals below this objective. It explains the integrated existence of the service value chain and how it serves the process of value flows and how each value flow operation is meant to be designed. It contains planning, improving, engaging, designing, transitioning, obtaining, constructing and supporting. So we had one internal frame that displayed the value chain to us when we spoke about the service value system. So, we will split that block and look into all its different parts in this lesson. As you will see, we have tasks like participating, planning, enhancing, designing and transformation, gaining, building, providing and supporting goods and services, all of which will work together in the service value chain model.



Service Value Chain diagram

Now, when we refer to a model like this, there are a few essential things to know. A sequential chain of events is not shown here. We used to have a Service Development cycle in the ITIL 3 or the older version, which was considered a linear sequence of activities. We used to start with a plan and then move to development, then transformation, and then move to actions. We would then move towards continuous service enhancement and worked through the five development cycles. They no longer exist here in ITIL 4. The series is not sequential. Instead, we usually begin with engagement, but we do not always need to do it, and then depending on it, we will touch other parts of the inner block. And when we explore this main cube, we will see three major groups with the operations in it. We design, change, gain, construct, supply and support. These are the main activities within the value chain of service. And these can coordinate between themselves and other events in every sequence.

This overlap between engaging and the other zones of the service value chain is also another important point to notice. You will see that the section of improve lies in the lower portion of the service value chain. And the overlapping of the purple ribbon extends from improvement to engagement. In this main cube, activities such as delivering and supporting, designing and transformation or obtaining and building are enhanced through this improvement cycle. The

improve cycle is linked to our services and products. All are here to demonstrate that the feedback chain lies between each section of the service value chain that goes through the improvement cycle and the continuous improvement of services.

Therefore, the true value of service value chain has to be considered and handled because it will boost the need for the next delivery, the next item, next service or the next upgrade for your products. And, as all these activities are interlinked, it is the reason we called it the service value chain. There are, therefore, many connections between such activities. All of the various steps the company takes to create interest or co-create the service value chain actions will express value. By converting the different inputs into the desired results, all activities are going to contribute to the value chain. And as we use demand and opportunity to do tasks, this crosses the value chain process and gets added value, and then emerges on the other side in the form of the desired result as we want from our services. This is how we look at all this, so to turn these inputs into desired outcomes, these value chain operations will use various combinations of the 34 ITIL procedures that we will discuss in the rest of the book.

Every operation can rely on internal or third party assets; they can examine a variety of procedures, different expertise and capabilities from many of those 34 practices. They don't need to be done separately. They can also be paired. And that is the concept when we get these connections through the operations of the service value chain. The incoming and outgoing communications are all done via the engaging operation of the value chain with all the various entities outside your service provider. This is why it is the first one that usually happens. Whenever you need a new resource, you will get it by obtaining and building activity. Each time you decide to do something, its planning will take place through the planned activity. If you seek to improve things, they are going to pass through the improvement cycle. You got the actual point here. All the various activities we do will be tied into one or more of these multiple containers.

All of this will occur within the main cube for design and transformation, obtaining and building, delivery and support as we produce, change, provide, and maintain and promote a function, service or product. These aren't called as the value chain processes that we recognize as our services and products, our value and our demand. These are linked to our service value system. These are our inputs and end-results. Therefore, the inside of the service chain is what we focus on here. It includes engagement, planning, obtaining and building, delivery and support, as well as design and transformation. Looking at these, we will concentrate on this part of the lesson, and we will move into each section of activities separately as we move forward.

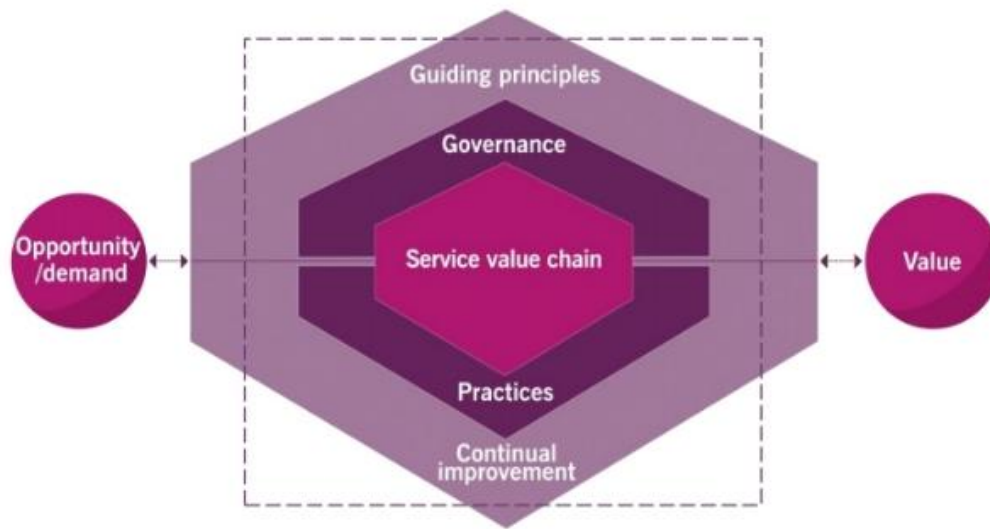
Planning

The first operation in the value chain process we will talk about in this chapter is called planning. It aims to ensure a mutual understanding of the vision, the current situation and the direction of progression across all four aspects of IT service management and all of our organizational products and services. This is your leadership vision; this is where we need to be, and then we have plans to be there. As we consider the input to the planning phase, we must discuss rules, criteria and constraints imposed by the governing structure of the company. We will also aim to integrate all the demands and resources that we obtain from the engagement process in a matter of minutes. We will also focus on all information about the progress of the value chain, improvement programs and strategies given by the cycle of improvement. We will also look at status changes and updates from the improvement phase. We will look at our new and changed services and products from our design and transformation or our processes to acquire and build them.

We will take this information and knowledge from the engagement process on third party service elements. All this will be a part of our planning so we can find out the best way to take our products and services to where we need them to be. It was known once as the strategy if you already know the old ITIL practices. Some of it is also included in this planning program. All these are the inputs to the planning process. What are the outputs of this operation? For that, we will look at three stages of the planning process. First, we have business strategies, the big corporate plans. Then we have tactical planning and operational programs. And that's a sort of big, medium and small as we go deeper. We also have portfolio choices to develop, so we can decide on which services we are going to deliver online to enable us for transformation and design then to develop and build such services and to determine how they can become a reality. When we talk about planning, we focus on the broadway in which we consider how we will get somewhere. We also want to focus on our infrastructures and strategies, and these are the items we can generate and give to design and transformation. So, what do I mean by infrastructures and strategies? So, perhaps part of our plan means that we will use cloud frameworks.

This means that we must not try to build data centres to use design and transformation. We should instead look at the online cloud service providers such as AWS or Microsoft Azure to find things. This would be a choice about architectural design that would go from planning then to design and transformation. Based on our plan, since we want to return things to the improvement process, we can enhance these things as they are possibilities for improvement. Thus, we are going to pass it again from the improvement phase. The service and product selection will also be something we will send to the engagement process. We must create an outline of what we plan to develop and what we want to accomplish in the next three to five years as an organization. When we have the plan of action, we are passing it down to the engagement process. We will then engage with clients, buyers and service suppliers to see how we can get the desired output from this plan. And this engagement can occur through contracting or connecting to get what we need, which takes us to the last thing.

Engagement will be a result of our plans and the contracts, and the agreements will be enforced to bring this into the design and transformation phase, then it passes to the building team so that they can develop what we are thinking. That is the idea here. When you learn about planning within the service value chain, I need you to consider the fact that we are talking about big plans. We think of road maps. For example, I have a road map in my organization which states that we will support you in various training lessons and produce videos and tests for the next few years. We will not make any effort to do it if it is not on the road map, because this is our strategy, and this is what we are about to do. It is our huge, overall strategic plan. We now have a tactical approach out of this strategic plan which says we might be doing these three training courses in the next year. After that, we will do operational planning to design one of these training courses. And it passes from the big plan to a medium plan, and then to the very comprehensive operating strategy. This is the premise when we are discussing plans within the value chain of services.



Improve

The next thing I want to concentrate on is the improvement activity of the value chain. The objective of improving the value chain operation is to continuously improve our goods, services and procedures for all our value chain activities and the four IT services management aspects. In order to improve operation, we need many different inputs. We will look at things such as information on products and services enhancement that will obtain from our delivery and support process. The delivery and support refer to your operational staff when we talk about it. It is they who manage the help desk and operate all the databases and utilities. They receive continuous feedback from your end-users, clients and buyers. We also need to receive feedback from

shareholders from the engagement process. If we look at it, it could be between our distributors and us or our investors and us or between our clients and us. All the information gets back through the engagement phase and passes on to improvement activity which you will use to enhance your services so that you can improve on that feedback.

We also want to examine the facts on the efficiency of all different value chain operations and the possibilities for improvement. We want to ensure things are transferred directly to the improvement phase as we measure things across the production cycle and all our activities. So we can find out how we can do things better easier, quicker, and more effective regardless of the case. We still strive to improve in order to achieve higher value at lower costs. We would also like to analyze all the information on our current and improved goods and services from design and transformation to obtain / construction. As we are building a new database or a service, we want the data to be collected and transferred back to improvement phase, because we can then improve and make suggestions on how to do this more accessible, quicker, faster, etc. We will also analyze all the information about our company's third-party resources from the engagement view. The improvement also gathers information from the engagement process, from our stakeholders and vendors, as our supplier could switch from self-hosting architecture to a cloud-based infrastructure.

And this new information will lead to our future development planning. If we discuss the results from the improve phase, they would be improvement programs and strategies for all other aspects of the value chain. The improvement comes into play across the whole service value chain and value system. By looking at that, the improvement team will find out and instruct the building and obtaining team that if you did x things, you guys might have achieved it for half that price. And they will give them some suggestions or strategy to improve it next time. We will also have details from the plan and the governing body about the value chain performance. When we collect the information, we will pass it on to those people and ensure that we can use it to enhance data in the field. We will also look at our improve progress reports for all operations of the value chain. Since we have gathered all the information from everyone and find a way to improve it, we will reschedule these progress reports and say, these are the suggestions, and how you can improve things.

It's the whole concept of continuous improvement repeatedly. We will not give it directly to consumers, service providers or any of our suppliers when it comes to our suggestions for agreements and contracts. Instead, we will pass it back to engage, as it will lead us to all those external agencies. This is how we will do it with any service agreement and contract advancements. And finally, for design and transformation, we have our performance data of service. We will also move all information back into design and transition, to help design and transform better services next time as we get all this information and look at how we can enhance it. All of this goes back to the end of the continuous improvement. When we think about the improvement phase in the value chain process, we need to know how to make things better,

fast, affordable, simpler, and better functionality. Regardless of any case, still, we can improve and achieve better results, which is the central concept of this phase.

To be continued....