ITIL® Intermediate Lifecycle Stream:

SERVICE STRATEGY CERTIFICATE

Sample Paper 2, version 6.1

Gradient Style, Complex Multiple Choice

SCENARIO BOOKLET

Instructions

This booklet contains the scenarios upon which the eight examination questions will be based. All questions are contained within the Question Booklet and each question will clearly state the scenario to which the question relates. In order to answer each of the eight questions, you will need to read the related scenario carefully.

On the basis of the information provided in the scenario, you will be required to select which of the four answer options provided (A, B, C or D) you believe to be the optimum answer. You may choose ONE answer only, and the Gradient Scoring system works as follows:

- If you select the CORRECT answer, you will be awarded 5 marks for the question
- If you select the SECOND BEST answer, you will be awarded 3 marks for the question
- If you select the THIRD BEST answer, you will be awarded 1 mark for the question
- If you select the DISTRACTER (the incorrect answer), you will receive no marks for the question.

In order to pass this examination, you must achieve a total of 28 marks or more out of a maximum of 40 marks (70%).

Scenario One

A company's newly appointed chief information officer (CIO) met with the board of directors to review the key challenges being faced by the IT department.

The directors expressed major concerns over the increasing costs of IT, together with the apparent inability of the IT organization to support different rates of growth across lines of business. Capacity planning assumptions and estimates are often proven wrong, leading to shortfalls or surpluses in resources. The related uncertainty, costs and risks are a cause for concern among customers, who have to fund the IT operations, especially during times of economic hardship.

Unplanned demand is primarily in the form of requests that arrive without warning via the service desk, via requests for change (RFC) or from the project management office (PMO). The large number of requests has meant that IT is finding it difficult to meet the goals of managing customer expectations, fulfilling needs, and maintaining stability and control over operational costs and risks.

There is no formal change management process and the recording of RFCs is inconsistent. The volume of requests means that many changes are implemented in a hurry without due diligence or post-implementation review. There is no formal request fulfilment process and, as long as the requester provides a valid cost centre code, service requests are almost always approved. The PMO has a huge backlog of potential projects and it has been unable to implement a consistent approach as a result of staff shortages.

The board and CIO agree the situation is unacceptable and the CIO has received board approval for additional short-term funding to put reliable, corrective measures in place.

Scenario Two

A company is seeking to reduce costs in their supply chain by adopting a selective sourcing approach to all IT services. Currently each business unit has its own local IT department ("local IT") with a portfolio of services, which the business unit fully funds. The result is significant duplication of capabilities and resources across business units, in the form of multiple service units such as service desks, data centres, network operations centres, and application support groups.

The CIO and his team are reviewing their service portfolio to determine which services should be retained within a business unit and supported by local IT, moved to a shared services unit or outsourced to an external service provider. This effort is to comply with a new corporate policy, which requires business units to rationalize their operating budgets and inventories of business assets.

One service being evaluated is called ETR. A particular business unit uses it on a daily basis. ETR is based on highly-specialized applications specific to the industry, requiring particular skill sets and data sets.

The information below further characterizes the ETR service:

SERVICE ASSETS	ETR requires the use of specialized equipment available from only two suppliers who cater to this *niche* market. The software sub-system includes proprietary code in a legacy programming language.
DEMAND PATTERN	Demand for ETR follows a regular and predictable pattern with the business need continuing in the foreseeable future.
DEPENDENCIES	ETR functions independently and has no integration with other lines of business or processes, though some data is utilized across the enterprise after being fed into a data warehouse.
PERFORMANCE MEASUREMENT	Due to its particular nature, performance and quality metrics for ETR have been difficult to define. So far, this hasn't been an issue since ETR is a solution provided by internal resources local to the business unit.

Scenario Three

Eighteen months ago a manufacturing organization redesigned and redeployed a legacy service for a key business division. This business critical service (named WaDis) is used to automate all of the division's business operations.

WaDis is supported by the IT department and two external suppliers:

- BSF – This supplier developed and supplied the applications that support the service, and continues to provide second line support for the applications through a support contract.
- NSV – This supplier owns and operates the servers used to run the applications, through a hosting service contract.

Contracts with these suppliers are managed by a supplier manager.

The business division provided very positive feedback about the revised WaDis service and was so pleased with the new functions that they began to use the service in new and innovative ways. They even started changing and improving their business processes to gain further benefit from the service.

For the first year WaDis met or exceeded all agreed service levels. Six months ago, however, incidents started occurring and, since then, have been increasing in number and severity. Last month, three serious service outages resulted in business operations being stopped for two days. The business customer is now very dissatisfied and seems to have forgotten all of the new benefits the team has been enjoying from using the re-designed service.

The IT director investigated these incidents and determined that unexpectedly high usage of WaDis caused capacity thresholds to be exceeded. In addition, NSV has formally stated that it will not be able to maintain service levels unless additional capacity is provided by them at significant additional cost.

This additional cost would extend the payback period of the investment beyond that which the business agreed would be acceptable. Since it is unbudgeted, this cost would also have a negative impact on the IT director's budget position.

Scenario Four

A retail company has offices in most major capital cities in the world. The company has an internal IT service provider which, for many years, has employed business relationship managers (BRMs). The BRMs are allocated regionally to IT customers and have been successful in building good relationships with them, ensuring that their needs have been met.

Recently, senior management has become concerned that, although the individual BRMs continue to be successful, there have been instances when time and effort has been wasted in developing similar services for different customers. There is also a suspicion that some opportunities for developing new services for multiple customers are being missed. This is because each business case only focuses on one customer's requirement, sometimes underestimating the overall service potential to the business.

The IT service provider has proposed the introduction of service owners to address the perceived weaknesses. It is expected that the service owners will co-ordinate all new service initiatives or improvements to existing services proposed by each BRM, and recommend the best use of service assets to meet the customer's needs. Early indications reveal that the BRMs do not support this initiative as they feel the success of their role will be threatened and their position will be undermined.

To counter this, the BRMs have been invited to a meeting where the role of the proposed service owners will be clarified and discussed.

Scenario Five

The IT department in a large government tax collection agency has been working to improve the techniques they use to explore and exploit business potential for servicing their client base.

A service catalogue and a chargeback policy have been successfully implemented. The IT department feels that their services are properly aligned with customer needs. Their views are supported by customer satisfaction surveys with high ratings for services delivered.

Recently, however, there have been unexpected changes in demand patterns for the services. A reduction in tax revenues associated with an economic downturn, as well as a trend among taxpayers to make greater use of electronic filing, has resulted in changes to business activity patterns. Currently, some services are being under-utilized by the agency and others are over-subscribed when compared to the original forecasts and estimates. As a result, there have been major deviations from plans for cost-recovery and discretionary spending, along with higher than expected unused capacity and under-utilized assets.

There is a need to identify which market spaces are properly served and which are over- or under-served. This information will be used to allocate resources and prioritize investments going forward.

Working closely with the agency staff is a team of relationship managers who understand the specific needs and expectations of each customer group. There is limited reporting available related to the use of the services and service agreements (SLAs). The service catalogue represents all the services presently in operation.

Scenario Six

A manufacturing company with a growing customer base adopted the following strategy:

- All sales representatives are encouraged to spend more time in the field directly interacting with customers
- Additional sales representatives are being hired with the intention that they should be able to work from their homes
- The leases on nine out of fifteen regional office spaces are due to expire and will not be renewed. Sales representatives from those offices will instead work from their homes.

To enable this business strategy, the IT group developed a strategy for a sales force mobility (SFM) service for remote access, via mobile devices, to general office functionality and the existing sales force automation service.

The SFM service rollout was significantly delayed. Based on feedback from the business the IT group reviewed the results of the project to date.

The following are some key findings from the review:

- While the mobile client portion delivers most of the features and functionality promised, it is clumsy and difficult to use. Sales representatives complain that they would have designed it differently
- Extra features provided are good in principle but, in practice, don't always work as expected because they require faster connections than are often available in the field
- Distribution of the new equipment was delayed and there were too many flaws in the first deployment, resulting in additional months of regional office rental fees. This increased the overall cost of the project
- The service desk reports a sharp increase in incidents and service requests, particularly after primary support hours, however no additional staff or extended support hours were provided for in the project plan. This has resulted in long wait times, support targets being missed during peak sales hours, and delays in the placing of some sales orders.

The chief information officer (CIO) is not pleased that an expensive, lengthy and risky project has encountered so many issues and has not met the intended business objectives. Given the sound business strategy, the CIO is demanding an explanation of how the service strategy failed to create the intended project outcomes.

Scenario Seven

A large oil exploration and production company (OEP) has traditionally serviced the needs of one country. It has recently expanded through acquisitions to cover the whole energy sector and serve the global energy market.

Most employees utilize IT services and have user IDs. Corporate IT (CIT) provides infrastructure and corporate administrative IT services globally.

Four business units each relate to a core service: 'sales and distribution', 'energy trading', 'power', and 'oil and gas'. Besides CIT, each business unit has its own IT unit with a chief information officer (CIO) to manage local applications and local user support. Once every month the CIOs of the four units plus CIT meet together in a CIO forum.

The CIO forum manages a cross-organizational portfolio of projects, prioritizing and progressing investments and following up on fulfilment of project business cases. Project portfolio management has improved both the timeliness and quality of resulting IT services. However, after project completion, very few resources are allocated to run the services. The energy trading IT department now faces an increasing number of customer complaints for not investing sufficient resources in maintenance and improvement of IT services.

The CIO of energy trading IT, therefore, proposes a cross-organizational service portfolio management process to ensure that not only projects but all investments in IT services are prioritized at the corporate level by allocating resources to the most beneficial IT services from an enterprise viewpoint.

Scenario Eight

The IT department within a large company has been implementing IT service management processes and tools for the last eighteen months. The project started with incident, problem and change management, and the effect has been a significant improvement in IT service availability and the reputation of the IT department.

The IT department is eager to move on to the second phase of the project which will define a service catalogue and implement service level management, capacity management, and service asset and configuration management processes and tools.

Before approving phase two, the chief information officer (CIO) has asked for a report on how much money has been spent on the first phase of the project and what return has been achieved on that investment. The report must quantify the cost savings to the IT department, estimate the returns expected from the second phase of the project, and determine how the efforts will support future cost-saving activity.

Financial management is currently performed by a small department which tracks the IT costs and apportions them to the business units based on the ratio of users in each business unit.