



The ITIL® 4 Digital and IT Strategy Examination

Sample Paper 1

Answers and Rationales

The ITIL® 4 Digital and IT Strategy Examination

For exam paper: EN_ITIL4_SL_DITS_2020_SamplePaper1_QuestionBk_v1.0

Q	A	Syllabus Ref	Rationale
1	C	3.1.a	<p>A. Incorrect. "Political: The influence of governments through policies (tax, fiscal, trade, labor, state ownership etc.), stability, level of corruption, openness to influence, available subsidies, etc." Ref 4.1.1, tab 4.1</p> <p>B. Incorrect. "Economic: Factors determining the performance of an economy, such as inflation, interest rates, foreign exchange rates, demand/supply models, foreign investment, unemployment rates, and consumer purchasing power." Ref 4.1.1, tab 4.1</p> <p>C. Correct. "Social: A population's culture, attitudes, norms, values, demographics (such as age, income, location and language), buying trends, mobility, etc." Analysis of the social factors will help to identify whether the local culture and values are a good organizational fit. Ref 4.1.1, tab 4.1</p> <p>D. Incorrect. "Legal: Linked to political, but specifically legislation rather than policy, including laws related to discrimination, competition, employment, consumer protection, copyright and patents, and health and safety." Ref 4.1.1, tab 4.1</p>
2	B	6.5	<p>A. Incorrect. This approach is based on a high requirement for 'return on investment', not on the service provider's desire to develop a culture of innovation based on a high ability to tolerate disruption. "Organizations define a minimum expected return on the amount of money spent on an innovation." Ref 10.5</p> <p>B. Correct. Making many changes to the storage app is an example of accepting uncertainty and therefore matches with the service provider's desire to develop a culture of innovation based on a high ability to tolerate disruption. "This variable defines how tolerant the organization is to operating with uncertainty." Ref 10.5</p> <p>C. Incorrect. This approach is based on a high requirement to focus on 'overall drivers', not on the service provider's desire to develop a culture of innovation based on a high ability to tolerate disruption. "An organization that needs to innovate or go out of business will have a very different approach to innovation than the organization that is looking for ways to grow." Ref 10.5</p> <p>D. Incorrect. This approach is based on a high requirement for 'strategic alignment', not on the service provider's desire to develop a culture of innovation based on a high ability to tolerate disruption. "This variable defines the extent to which innovation will be allowed to challenge the existing strategy." Ref 10.5</p>

The ITIL® 4 Digital and IT Strategy Examination

Q	A	Syllabus Ref	Rationale
3	B	5.3.b	<p>A. Incorrect. The portfolio does not include full details of every possible business case; it simply shows the costs and value of each product and service. The portfolio should include information about the legacy services, as well as the new services, and should be used to evaluate all investments, including existing operations. "Portfolio management identifies and tracks investment in every service and product at every stage of its lifecycle, and links that investment to the anticipated and achieved value." Ref 5.3.1</p> <p>B. Correct. "Portfolio management identifies and tracks investment in every service and product at every stage of its lifecycle, and links that investment to the anticipated and achieved value. The portfolio management practice is a valuable strategic tool that informs decisions on how to balance investment between new initiatives and existing operations." This organization needs to balance the cost of supporting the legacy services with the cost of investing in new services, a portfolio is the ideal tool to support this. Ref 5.3.1</p> <p>C. Incorrect. The portfolio can help to identify when investments are likely to lead to a good return, but this should not be restricted just to investments in the legacy services. The portfolio should be used to manage investments at all stages of the product or service lifecycle, not just for the legacy services. "Portfolio management identifies and tracks investment in every service and product at every stage of its lifecycle, and links that investment to the anticipated and achieved value." Ref 5.3.1</p> <p>D. Incorrect. The portfolio is concerned with costs and value. Customer and user experience may contribute to value, but planning improvements to these is not the primary purpose of a portfolio. "The portfolio management practice is a valuable strategic tool that informs decisions on how to balance investment between new initiatives and existing operations." Ref 5.3.1</p>
4	D	7.2	<p>A. Incorrect. This is an organization's purpose. "The purpose of an organization is the reason why it exists, or its core business." Ref 3.4.1</p> <p>B. Incorrect. This is an organization's unique value proposition (UVP): "a short statement that explains the unique value the organization provides." Ref 2.10.2</p> <p>C. Incorrect. This is an organization's strategy. "Strategy encompasses its purpose and vision, and also outlines the specific initiatives required to achieve these results." Ref 3.4.1</p> <p>D. Correct. "A vision is a defined aspiration of what [an organization] would like to become in the future." Ref 3.4.1</p>

The ITIL® 4 Digital and IT Strategy Examination

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5	B	8.1	<p>A. Incorrect. An operating model will help the organization understand "how partners and suppliers will be involved in the value streams and the creation of value", but it will not ensure that suppliers meet their contracts. Ref 2.9</p> <p>B. Correct. An operating model will help the organization understand "the organization structure, skill sets, decision structures, and process and practice ownership required to do the work in the value streams." Ref 2.9</p> <p>C. Incorrect. 'Sets of activities needed to create each product and service' refers to the value streams that the organization has already defined, so this would not be an additional benefit. "At the centre of an operating model are the organization's value streams, which illustrate the main work an organization needs to do to deliver its value propositions to its identified consumers." Ref 2.9</p> <p>D. Incorrect. This answer confuses operating model with business model. It is the business model that describes features and the value proposition, and answers the question of "how does the organization create value for the stakeholders." "If business models are used to describe how a business captures value, then operating models are used to describe how the organization will be run." Operating models answer the question of "how does the organization ensure effective and efficient operations?" Ref 2.9, tab 2.2</p>
6	B	4.4.a	<p>A. Incorrect. Improving the tools used by the sales department is an example of focusing on operational excellence, not market relevance. "Organizations focusing on operational excellence as a basis for disruption will use technology in innovative ways to obtain higher levels of performance and quality with lower cost, improved productivity, and reduced waste." Ref 3.2.2</p> <p>B. Correct. This answer focuses on improving the customer experience and attempting to increase their engagement. "Organizations focusing on customer or market relevance as a basis for disruption will try to change the basic customer experience, customer journey, and behaviour of customers, influencing their demand for new products or how they engage with the organization." Ref 3.2.1</p> <p>C. Incorrect. Improving the app development process is an example of focusing on operational excellence, not market relevance. "Organizations focusing on operational excellence as a basis for disruption will use technology in innovative ways to obtain higher levels of performance and quality with lower cost, improved productivity, and reduced waste." Ref 3.2.2</p> <p>D. Incorrect. Reorganizing service desk support and access channels is an example of focusing on operational excellence, not market relevance. "Organizations focusing on operational excellence as a basis for disruption will use technology in innovative ways to obtain higher levels of performance and quality with lower cost, improved productivity, and reduced waste." Ref 3.2.2</p>

The ITIL® 4 Digital and IT Strategy Examination

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7	B	5.3.d	<p>A. Incorrect. Funding the research and development team to do this work will not enable the highly skilled operations team to contribute, and may distract the research and development team from their core role. "Innovation is limited to research and development units and is only funded as part of identified strategic initiatives" and "every operational budget and every employee's objectives should include some level of innovative activity." Ref 5.1.3.2</p> <p>B. Correct. "Every operational budget and every employee's objectives should include some level of innovative activity." The operations team are highly skilled, so additional budget would enable them to add more staff so that some of them can focus on innovation. Ref 5.1.3.2</p> <p>C. Incorrect. The operations team are already short of money and people, so moving some people out of this team will create even more pressure on them, and may make it harder for them to think about innovations. "Every operational budget and every employee's objectives should include some level of innovative activity." Ref 5.1.3.2</p> <p>D. Incorrect. Creating an additional team to do this work would fail to utilize the highly skilled operations team. Increasing the number of teams could also lead to silo thinking and a lack of knowledge sharing. It would be much simpler, cheaper, and more effective, to simply fund the operations team so that they can focus on innovations. "Every operational budget and every employee's objectives should include some level of innovative activity." Ref 5.1.3.2</p>
8	A	6.4	<p>A. Correct. Leverage is the balanced approach to innovation that provides a large amount of benefit from a relatively small investment. "This is the ratio between the size of the innovation (measured in cost, effort, or organizational impact) and the outcome achieved." Ref 10.5</p> <p>B. Incorrect. Ability to tolerate disruption is the balanced approach to innovation that "defines how tolerant the organization is to operating with uncertainty." Ref 10.5</p> <p>C. Incorrect. Incentive to innovate is the balanced approach to innovation that "relates to whether stakeholders are motivated to innovate." Ref 10.5</p> <p>D. Incorrect. Overall driver is the balanced approach to innovation that relates to the major driver behind the innovation. "An organization that needs to innovate or go out of business will have a very different approach to innovation than the organization that is looking for ways to grow." Ref 10.5</p>

The ITIL® 4 Digital and IT Strategy Examination

Q	A	Syllabus Ref	Rationale
9	B	2.2.a	<p>A. Incorrect. "A digital organization is an organization that is enabled by digital technology to do business significantly differently, or to do a significantly different business." There is no indication in the question that this is a digital organization. Ref 2.2</p> <p>B. Correct. "Business strategy is how an organization defines and achieves its purpose." Ref 2.7.1</p> <p>C. Incorrect. The product and service portfolio is "the products and services managed by the organization, which represent its commitments and investments across its customers and market spaces." Ref 5.3.1</p> <p>D. Incorrect. "Digital transformation is achieved by digitizing, robotizing, and other forms of automation that enable organizations to do things differently, or to do different things." This situation did not describe a transformation, as nothing is being changed. Ref 2.5</p>
10	D	7.1	<p>A. Incorrect. The question states that the scope of the assessment included governance, management, and culture. This contradicts the statement that the assessment failed to consider strategy and leadership. "Organizations that are ready for digital transformation have leaders who establish a compelling vision for the future business model. Unfortunately, most digital assessment models do not evaluate the leadership's understanding of the digital landscape, or the extent to which it sets a clear direction for the organization." Ref 4.3.4</p> <p>B. Incorrect. The question states that the assessment took a number of weeks and a detailed report was produced. This is evidence that the assessment was not too simple. "The direct opposite of the overly complex model is the overly simplistic one. This type of assessment usually asks one or a handful of participants a few basic questions." Ref 4.3.4</p> <p>C. Incorrect. The question states that the scope not only included technology but also people, processes, and partnerships. "Many digital maturity assessments focus heavily on infrastructure, such as cloud versus on-premise, or on specific tools employed by the organization." Ref 4.3.4</p> <p>D. Correct. The question states that the assessment took a number of weeks and a detailed report was produced providing evidence that the assessment was overcomplicated. It is often the case that a detailed assessment considering multiple aspects and too much rigor can produce a false result of maturity. "Overly complex maturity models attempt to convince the organization of the validity of the findings and recommendations, by applying false rigour to subjective criteria." Ref 4.3.4</p>

The ITIL® 4 Digital and IT Strategy Examination

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11	A	8.5	<p>A. Correct. "The purpose of the measurement and reporting practice is to support good decision-making and continual improvement by decreasing the levels of uncertainty. This is achieved through the collection of relevant data on various managed objects." Ref Measurement and Reporting Practice 2.1</p> <p>B. Incorrect. The strategy management practice is concerned with formulating "the goals of the organization and adopting the courses of action and allocation of resources necessary for achieving those goals." Ref Strategy Management Practice 2.1</p> <p>C. Incorrect. The portfolio management practice is concerned with ensuring "that the organization has the right mix of programmes, projects, products, and services to execute the organization's strategy within its funding and resource constraints." Ref Portfolio Management Practice 2.1</p> <p>D. Incorrect. The financial management practice is concerned with supporting "the organization's strategies and plans for service management by ensuring that the organization's financial resources and investments are being used effectively." Ref Service Financial Management Practice 2.1</p>
12	C	2.2.b	<p>A. Incorrect. A digital organization uses digital technology. This does not describe how the technology is used to achieve an organization's goals. "A digital organization is an organization that is enabled by digital technology to do business significantly differently, or to do a significantly different business." Ref 2.2</p> <p>B. Incorrect. Digital transformation refers to how an organization may make significant improvements using digital technology, it does not describe how it will achieve its goals. Digital transformation is defined as the "use of digital technology to enable a significant improvement in the realization of the organization's objectives that could not feasibly have been achieved by non-digital means." Ref 2.5</p> <p>C. Correct. A digital strategy is defined as "A business strategy that is based all or in part on using digital technology to achieve its goals and purpose." "Regardless of the rigour of a strategy management practice, a business strategy will encompass: a way of defining, refining and communicating the vision of the organization." Ref 2.7.2, 2.7.1</p> <p>D. Incorrect. Digital business describes an organization that uses digital technology, it does not describe how it will achieve its goals. Digital business is synonymous with digital organization which is defined as "an organization that is using digital technology as a basis for conducting the activities necessary to achieve its purpose." Ref 2.3</p>

The ITIL® 4 Digital and IT Strategy Examination

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13	C	4.4.c	<p>A. Incorrect. This organization already has a strong inward focus, and they need to balance this with an external focus. "Other organizations strategize by looking inwards and asking: How do we monitor and control our journey?" Ref 3.2.3</p> <p>B. Incorrect. This organization already has a strong inward focus, and they need to balance this with an external focus. "Other organizations strategize by looking inwards and asking: How can we improve operational efficiencies?" Ref 3.2.3</p> <p>C. Correct. This organization already has a strong inward focus, and they need to balance this with an external focus. "Some organizations... look outwards and ask questions such as: What markets do we serve? ...What opportunities are there for growth or disruption? ...What capabilities do we have that open new avenues for us in existing or new markets?" Ref 3.2.3</p> <p>D. Incorrect. This organization already has a strong inward focus, and they need to balance this with an external focus. "Other organizations strategize by looking inwards and asking: How can we improve operational efficiencies?" Ref 3.2.3</p>
14	C	6.1	<p>C. Correct.</p> <p>(3) This is a 'risk management' practice success factor. "The risk management practice includes the following PSFs: ... establishing governance of risk management." Ref Risk Management Practice 2.4</p> <p>(4) This is a 'risk management' practice success factor. "The risk management practice includes the following PSFs: ... nurturing a risk management culture and identifying risks." Ref Risk Management Practice 2.4</p> <p>A. B. D. Incorrect.</p> <p>(1) Developing a target architecture is a practice success factor for the 'architecture management' practice. Ref Architecture Management Practice 2.4.1</p> <p>(2) This answer suggests taking actions to reduce all risks, however risk reduction is only one possible risk treatment. Risks may be retained, avoided, shared or reduced depending on their assessment. "Risk treatment generally falls into the following categories: Risk retention or acceptance... Risk avoidance... Risk-sharing or transfer... Risk modification or reduction." Ref 11.11</p>

The ITIL® 4 Digital and IT Strategy Examination

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15	B	4.1	<p>A. Incorrect. “Organizational agility is an organization’s ability to move and adapt quickly, flexibly, and decisively in response to events in the internal or external environment.” It may support organizational resilience, but it is not directly focused on it. Ref 8.1.2.2</p> <p>B. Correct. “Organizational resilience is the organization’s ability to anticipate, prepare for, respond to, and overcome adverse events in the internal or external environment.” Ref 8.1.2.2</p> <p>C. Incorrect. This refers to Lean. “Lean organizations are focused on continual improvement of their value streams’ workflows and the elimination of waste.” Lean does not directly address resilience to adverse changes. Ref 8.1.2.2</p> <p>D. Incorrect. This refers to Lean. “Lean organizations are focused on continual improvement of their value streams’ workflows and the elimination of waste.” Lean does not directly address resilience to adverse changes. Ref 8.1.2.2</p>
16	C	4.3.a	<p>A. Incorrect. The question describes an example of ecosystem disruption, not industry disruption, because changes are caused by the service across many markets and industries. "Industry disruption occurs when digital technology introduces a change that impacts a specific industry... or a group of related industries." "Ecosystem disruption occurs when digital technology introduces a change that impacts organizations across multiple industries and markets. It also changes the way multiple ecosystem factors work." Ref 3.1.2, 3.1.1</p> <p>B. Incorrect. The question describes an example of ecosystem disruption, not market disruption, because changes are caused by the service across many markets and industries. "Market disruption occurs when digital technology introduces a change that impacts a particular market or market segment" and "ecosystem disruption occurs when digital technology introduces a change that impacts organizations across multiple industries and markets. It also changes the way multiple ecosystem factors work." Ref 3.1.3, 3.1.1</p> <p>C. Correct. Because the question describes changes caused by the service across many markets and industries, this is an example of ecosystem disruption. "Ecosystem disruption occurs when digital technology introduces a change that impacts organizations across multiple industries and markets. It also changes the way multiple ecosystem factors work." Ref 3.1.1</p> <p>D. Incorrect. Organizational disruption affects organizations when "disruptions to their markets or industry require them to recover or preserve their position in the market." There may have been some organizational disruption within the service provider, but from the perspective of their competitors this is 'Ecosystem disruption.' Ref 3.1.4</p>

The ITIL® 4 Digital and IT Strategy Examination

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17	D	6.3	<p>A. Incorrect. Low risk capacity means that this risky strategy is more likely to fail, low risk appetite means that the organization is less likely to follow this strategy. "Risk capacity: The total amount of risk that an organization can tolerate." "Risk appetite: The degree to which an organization will embrace negative risk in pursuit of its objectives." Ref 11.10.1, tab 11.1</p> <p>B. Incorrect. Low risk capacity means that this risky strategy is more likely to fail. "Risk capacity: The total amount of risk that an organization can tolerate." "Risk appetite: The degree to which an organization will embrace negative risk in pursuit of its objectives." Ref 11.10.1, tab 11.1</p> <p>C. Incorrect. Low risk appetite means that the organization is less likely to follow this strategy. "Risk capacity: The total amount of risk that an organization can tolerate." "Risk appetite: The degree to which an organization will embrace negative risk in pursuit of its objectives." Ref 11.10.1, tab 11.1</p> <p>D. Correct. High risk capacity means that this risky strategy is less likely to fail, high risk appetite means that the organization is more likely to follow this strategy. "Risk capacity: The total amount of risk that an organization can tolerate." "Risk appetite: The degree to which an organization will embrace negative risk in pursuit of its objectives." Ref 11.10.1, tab 11.1</p>
18	B	8.2	<p>A. Incorrect. Digital mindset “does not mean making changes for the sake of keeping up with technology trends. Rather it means understanding how technology is changing the way people live and work, and collaborating with others to ensure that the organization stays relevant in the context of those changes.” Ref 9.1</p> <p>B. Correct. Digital mindset “means understanding how technology is changing the way people live and work, and collaborating with others to ensure that the organization stays relevant in the context of those changes.” Ref 9.1</p> <p>C. Incorrect. This is intelligent automation: “the ability to automate commonly performed actions or decisions differently depends on shifting contexts or objectives.” Ref 5.2.2.2, tab 5.8</p> <p>D. Incorrect. “A digital or 'growth' mindset recognizes that the changes happening in society and industry are not just happening to others, and they are not only visible to leaders. Employees, partners, and customers are going through these changes personally, in their homes, schools, communities, and social activities. Far from trying to enforce new and foreign work practices onto an unwitting workforce, the digital mindset seeks to expand and accelerate possibilities that are already on their horizons.” Ref 9.1</p>

The ITIL® 4 Digital and IT Strategy Examination

Q	A	Syllabus Ref	Rationale
19	A	6.2.a	<p>A. Correct. Due diligence checks early in the customer journey are a good way to identify engagement risks. “Engagement risks can be identified by due diligence checks at the early steps of the relationships (‘Engage’ step of the customer or employee journey...” Ref 11.5.1</p> <p>B. Incorrect. Due diligence checks should be carried out early in the customer journey, not at a late step. “Engagement risks can be identified by due diligence checks at the early steps of the relationships (‘Engage’ step of the customer or employee journey...” Ref 11.5.1</p> <p>C. Incorrect. Qualitative risk assessment is carried out to identify the impact and likelihood of a risk after it has been identified. “Qualitative risk analysis is used to determine the likelihood that a risk will occur and the impact that it will have if it does.” Ref 11.7</p> <p>D. Incorrect. Quantitative assessment is carried out to identify the monetary value of a risk after it has been identified. “Quantitative risk analysis techniques attempt to place a monetary value on risks. These approaches are complex and require significant research and analysis. They are generally only used when a risk exceeds a pre-defined threshold.” Ref 11.8</p>
20	A	5.2	<p>A. Correct. "Continual improvement should form part of every strategy. Even organizations reliant on innovative disruption must be able to deliver consistent, stable, and improved services and products over the long term." Ref 5.2.2.1</p> <p>B. Incorrect. "These strategies are aimed at improving performance and efficiency, by replacing ageing technology that has become too expensive to maintain, or inappropriate architectures that are unable to support the functionality or performance required by changing business needs." This is not likely to be relevant to a small IT service provider that has only existed for one year. Ref 5.2.2.4</p> <p>C. Incorrect. "These strategies are aimed at reducing cost and increasing speed, but do not change the fundamental operation of the organization." This small, innovative, service provider is more likely to benefit from complex automation or intelligent automation. Continual improvement will enable them to identify the best approach to automation, as well as providing focus on the other dimensions of service management. Ref 5.2.2.2, tab 5.8</p> <p>D. Incorrect. Customer analytics is used as a strategic approach for customer/market relevance, not for operational excellence. "Information about how and why customers have engaged with the organization in the past, and their demand for new and future products and services, can point to gaps in the organization’s portfolio and performance." Ref 5.2.1.4</p>

The ITIL® 4 Digital and IT Strategy Examination

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21	A	2.3	<p>A. Correct. "The major activities of governance are... Evaluate... Direct...[and] Monitor." Ref 2.10.3</p> <p>B. Incorrect. The purpose of the strategy management practice is to "formulate the goals of the organization and adopt the courses of action achieving those goals." Monitoring performance (via governance) will form a key input into the adoption of strategic goals and deciding on the best courses of action. Ref Strategy Management Practice 2.1</p> <p>C. Incorrect. Value is defined as "the perceived benefits, usefulness, and importance of something." Value leads to organizational performance, which is monitored by organizational governance. Ref 2.10.2</p> <p>D. Incorrect. "Practices utilize the processes, resources, partners, and technologies and how they will contribute to the strategy", which is based on the direction set by organizational governance. Ref 2.10.6</p>
22	B	2.1.c	<p>A. Incorrect. "Digital technology is any technology that digitizes something or processes digital data." The components may be digital technology, but their inclusion into products and services is typical of a digital organization. Ref 2.1</p> <p>B. Correct. "What differentiates a digital organization [from other organizations] is the extent to which it uses digital technology as a basis to differentiate itself... Their products and services often have a digital component (such as a mobile app to order services), or may be entirely digital (such as an online stock trading service)." Ref 2.2</p> <p>C. Incorrect. "Digitization is the process of transforming something (e.g. text, sound, or images) from analogue to digital form by expressing the information in binary digits." Ref 2.4</p> <p>D. Incorrect. "Digital transformation is achieved by digitizing, robotizing, and other forms of automation that enable organizations to do things differently, or to do different things." This situation did not describe a transformation, as nothing is being changed. Ref 2.5</p>

The ITIL® 4 Digital and IT Strategy Examination

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23	C	8.4	<p>A. Incorrect. This describes the synergism parallel operating model. "Synergism tends to work best in situations where adjacent or complementary sales channels exist, there is no competition among channels, and customers prefer omnichannel delivery." Ref 8.2.1.4</p> <p>B. Incorrect. This describes the cannibalism parallel operating model. "Cannibalism focuses on the rapid destruction of an existing business model and its subsequent replacement with a new digital business model." Ref 8.2.1.1</p> <p>C. Correct. "Erosion can be considered a kinder, gentler form of cannibalism where the organization uses the revenues of an existing and still profitable business model to fund a new digital business model." Ref 8.2.1.2</p> <p>D. Incorrect. This describes the concurrence parallel operating model. "Concurrence is an approach where the new digital business model neither helps nor harms the existing business model. Concurrence tends to work best when the organization is attempting to gain or increase market share." Ref 8.2.1.3</p>
24	A	2.3	<p>A. Correct. "An opportunity is a situation that allows an organization to expand its existing operation, either by introducing new products and services or by moving into a new market." Ref 2.10.1.1</p> <p>B. Incorrect. Continual improvement is the approach to changing products, services, technologies or organizations in response to internal or external triggers. "The improvement of the organization itself might be the basis for its strategy" to capitalize on an opportunity. Ref 2.10.5</p> <p>C. Incorrect. "Value is the perceived benefits, usefulness, and importance of something. Value is also co-created by the organization and other stakeholders, as it seeks to meet demand and fulfil opportunities." The scenario only mentions the identification of an opportunity, not the fulfilment of the opportunity. Ref 2.10.2</p> <p>D. Incorrect. "Practices utilize the processes, resources, partners, and technologies and how they will contribute to the strategy", or fulfilling an opportunity. The scenario only mentions the identification of an opportunity, not the fulfilment of the opportunity. Ref 2.10.6</p>

The ITIL® 4 Digital and IT Strategy Examination

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25	D	2.1.e	<p>A. Incorrect. "Digital technology is any technology that digitizes something or processes digital data." This situation uses digital technology, but introduction of the technology to automate work is an example of digital transformation. Ref 2.1</p> <p>B. Incorrect. "A digital organization is an organization that is enabled by digital technology to do business significantly differently, or to do a significantly different business." This may be a digital organization, but the situation describes the use of robots to facilitate a transformation. This is an example of digital transformation. Ref 2.2</p> <p>C. Incorrect. "Digitization is the process of transforming something (e.g. text, sound, or images) from analogue to digital form by expressing the information in binary digits." Ref 2.4</p> <p>D. Correct. "Digital transformation is defined as the use of digital technology to enable a significant improvement in the realization of the organization's objectives that could not feasibly have been achieved by non-digital means. Digital transformation is achieved by digitizing, robotizing, and other forms of automation that enable organizations to do things differently, or to do different things." Ref 2.5</p>
26	A	5.1.e	<p>A. Correct. "The ability to obtain close to real-time feedback and evaluation is critical to maintaining customer relevance." Ref 5.2.1.6</p> <p>B. Incorrect. Operational excellence is a different strategic focus which should be balanced with customer relevance; it is not a way to achieve customer relevance. "Regardless of the starting point, strategies will touch on both customer/market relevance and operational excellence." Ref 3.2.4</p> <p>C. Incorrect. "Organizational resilience is an organization's ability to anticipate, prepare for, respond to, and overcome adverse events in the internal or external environment." It may support customer relevance in unexpected circumstances but does not ensure it directly. Ref 5.2.3.2</p> <p>D. Incorrect. A resource-based advantage helps to ensure operational excellence: "organizations rely on the fact that they have access to resources that other organizations do not." It does not directly ensure customer relevance and even less likely to continually maintain it. Ref 5.2.2</p>

The ITIL® 4 Digital and IT Strategy Examination

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27	D	7.3	<p>D. Correct</p> <p>(1) The question states that the executive are accountable for strategic decisions and therefore should receive the business case. "Business cases, including those components of the strategy that contain cost and return calculations, are only shared with stakeholders who will approve and fund the strategy." Ref 5.3.4</p> <p>(4) "The audience of a business case should include: advisers to those stakeholders, such as enterprise architects, finance experts, legal experts, and technology experts." Ref 5.3.4.1</p> <p>A. B. C. Incorrect.</p> <p>(2) The strategy could be shared with service consumers but the financial information in the business case should not be shared outside of the company. "Business cases, including those components of the strategy that contain cost and return calculations, are only shared with stakeholders who will approve and fund the strategy." Ref 5.3.4</p> <p>(3) The business case should not be communicated as widely as the strategy. Many parties may have been involved in creating the strategy, but the business case should only be shared with those making the decisions. "Business cases, including those components of the strategy that contain cost and return calculations, are only shared with stakeholders who will approve and fund the strategy." Ref 5.3.4</p>

The ITIL® 4 Digital and IT Strategy Examination

Q	A	Syllabus Ref	Rationale
28	C	5.2	<p>A. Incorrect. This is a small organization in a crowded market. It is likely that other organizations have the scale advantage. Scale advantages "are organizational models based on building a competitive advantage by growing the organization or its customer base." Ref 5.2.2</p> <p>B. Incorrect. This is a crowded market that the organization has only just entered. It is likely that other organizations will have the incumbency advantage. Incumbency advantages are "the first organization to enter the market often becomes the preferred provider. New entrants must overcome a lack of credibility." Ref 5.2.2</p> <p>C. Correct. The unique technology model is an example of a resource that is hard to replicate. Resource-based advantages are "organizations [that] rely on the fact that they have access to resources that other organizations do not. To enable a resource-based competitive advantage, the resources are valuable, rare, nonreplicable, durable and organization-specific. These include company secrets, patents, culture, etc." Ref 5.2.2</p> <p>D. Incorrect. The question refers to operational excellence not customer relevance. "Organizations focusing on customer or market relevance as a basis for disruption will try to change the basic customer experience, customer journey, and behaviour of customers, influencing their demand for new products or how they engage with the organization." "Organizations focusing on operational excellence as a basis for disruption will use technology in innovative ways to obtain higher levels of performance and quality with lower cost, improved productivity, and reduced waste." Ref 3.2.1, 3.2.2</p>

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29	A	5.1.b	<p>A. Correct. The objective of omnichannel strategy is to "ensure continual customer engagement across multiple communication and delivery channels, both online and offline, to deliver consistent and positive customer experiences." Ref 5.2.1.2</p> <p>B. Incorrect. A customer journey "represents the perceived experience by a customer or user through a defined end-to-end process." The customer journey in turn may be made up of several touchpoints that require omnichannel capabilities. Ref 5.2.1.1</p> <p>C. Incorrect. Customer analytics is focused on "information about how and why customers have engaged with the organization in the past, and their demand for new and future products and services... it can be correlated with environmental factors." Customer analytics may rely on data gathered from multiple sources and channels made possible by an omnichannel strategy. Ref 5.2.1.4</p> <p>D. Incorrect. Context-sensitive delivery and support is focused on understanding "the pattern of these interactions and the context by which they occur" with customers, which allows the provider to be more responsive and "tailor the support provided." Context-sensitive delivery and support may rely on omnichannel capabilities to gather data that allows the organization to better understand the context of the interaction. Ref 5.2.1.3</p>
30	B	8.6	<p>A. Incorrect. The 'implement with feedback' step is where the plan is implemented and involves chartering the programme and ensuring funding and resource is available. "The digital task force charters projects or programmes for each group of activities, assigns an owner for each group, and ensures that plans and budgets are defined for each group. It also ensures that resources and funding are made available as needed." Ref 6.3.4.1</p> <p>B. Correct. This is the step where the plan is formed. "The digital task force will group the changes into initiatives or projects and sequence them." Ref 6.3.4.1</p> <p>C. Incorrect. The 'develop vision and goals' step is the first step in a digital transformation programme and involves aligning the programme with the organization's strategic objectives. "The digital transformation programme will build the capabilities the organization needs to achieve those strategic objectives." Ref 6.3.4.1</p> <p>D. Incorrect. The 'architect changes' step is where the necessary changes are identified and involves designing the components that are not yet digitized. "A review of the organization's strategy and its artefacts, especially enterprise architecture information, will help the team to identify which components of the current state are already digitized, which are partially digitized, and which are not digitized... the team will then architect all areas that need to be changed." Ref 6.3.4.1</p>