

ITIL ® 4 Strategist Direct, Plan and Improve

Module 03 – Part 01 Strategy and Direction



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Identify the scope of control and within this (BL3)

- a) Know how to cascade objectives and requirements
- b) Know how to define effective policies, controls, and guidelines
- c) Know how to place decision- making authority at the correct level

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The purpose of the **Strategy Management Practice** is to formulate the organization's goals, adopt effective courses of action, and allocate any resources necessary for achieving them. It establishes the organization's direction, focuses effort, clarifies the organization's priorities, and provides guidance in response to the environment.

Strategy management includes:

- Specifying the organization's mission, vision, and objectives
- Developing policies and plans which are designed to achieve the mission and objectives
- Allocating resources to implement policies and plans.

Strategy and direction:

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Through strategy management, organizations integrate the activities of their capabilities and functional areas in order to achieve long-term objectives.

Whenever a service provider organization is established, it develops a business model by leveraging the SVS. The business model should reflect what consumers want, how they want it to be delivered, and how the organization can provide satisfying products and services

A well-defined service provider strategy will make the service provider uniquely valuable to service consumers. Delivering and maintaining this unique value proposition should then become a key consideration in tactical and operational decisions

Mechanisms to develop effective Strategy

Achieving Strategic Alignment

Identifying relevant scope of control

Cascading objectives

Cascading requirements

1- Strategic Alignment

- Understand the service consumer organizations' visions and strategies to ensure continual Value co-creation.
- Establish a cooperative relationship or partnership with its service consumers to ensure strategic alignment or adoption of common strategy.
- Organizations must balance a commitment to a single strategy with regular re-assessments to ensure that the strategy remains relevant

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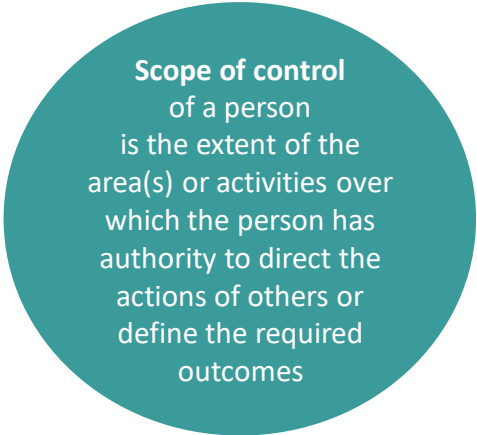
Strategic Alignment:

The strategy management practice usually supports the organization's long-term objectives. Organizational strategies are typically devised by an organization's CEO, approved by its governing body, and implemented by its senior executives.

If a service provider's strategy and the resulting directives are too static, the organization might endanger its viability as a business. However, if the strategy changes too often, the organization may struggle to adapt and overcome the stress of constantly abandoning current efforts

2- Scope of Control

- Strategies can only be defined within the relevant scope of control
- We all have influence as well as control
- Scope of influence is wider than scope of control



Scope of control of a person is the extent of the area(s) or activities over which the person has authority to direct the actions of others or define the required outcomes

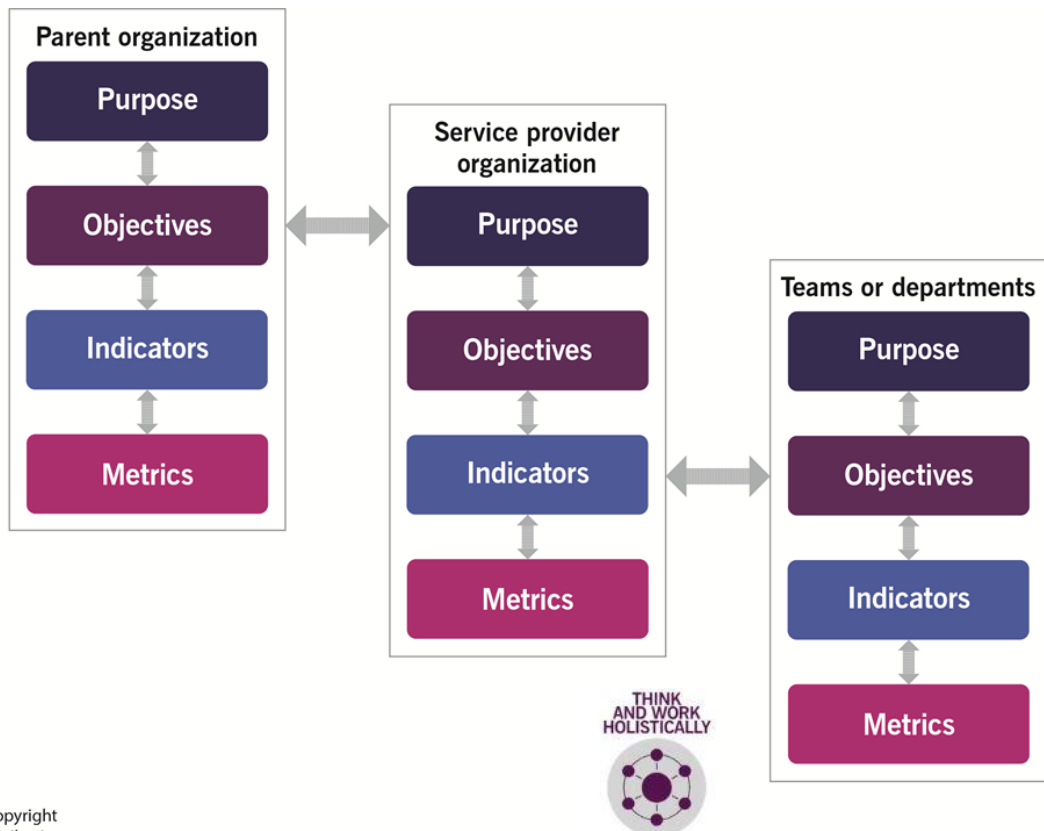
Identifying the relevant scope of control:

Strategies can only be defined within the relevant scope of control. **For example**, an IT department cannot define an organizational strategy; it can only align with the organizational strategy and define the IT strategy accordingly. However, people can influence strategies outside of their scope of control. **For example**, if an IT department identifies new development opportunities in its scope, those opportunities might enable the organization to pursue previously unrealistic strategies

- ❑ ITIL guidance is not just for managers
 - Guidance can be applied at many levels
 - Corporate leaders have very wide authority
 - Everyone has some authority
- ❑ We all have influence as well as control
 - Scope of influence is wider than scope of control
 - May need to find ways to influence things beyond our control
 - Influence may be more effective and sustainable than simply commanding others

3- Cascading Objectives:

- Is translating the objectives from one organization level to another
- This keeps the strategy, tactics, and operations aligned
- Supports reporting of accomplishments through feedback loops
- Enables senior leaders to monitor performance and make business decisions



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When the organization's mission and strategy are understood, objectives can cascade from them, translating the strategy from one organizational level to the next. This ensures the organization's strategy, tactics, and operations are aligned, and allows the reporting of accomplishments through feedback loops. Senior leaders can, therefore, monitor performance and make appropriate business decisions.



4- Cascading Requirements:

- Requirements for resources needed to achieve objectives also cascade down the organization between levels
- These requirements can come from any of the four dimensions of service management



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Just as objectives and plans cascade through an organization, so do the requirements for the resources needed to achieve them. Requirements may relate to any of the four dimensions of service management

COLLABORATE
AND PROMOTE
VISIBILITY



THINK
AND WORK
HOLISTICALLY



Governance Structures used for Decision-making:

Key governance structures and their roles:

| Governance structure | Role in governance |
|----------------------|--|
| Board of directors | Responsible for their organization's governance. Specific responsibilities include: <ul style="list-style-type: none"> ● setting strategic objectives ● providing the leadership to implement strategy ● supervising management ● reporting to shareholders. |
| Shareholders | Responsible for appointing directors and auditors to ensure effective governance |
| Audit committee | Responsible for supporting the board of directors by providing an independent assessment of management performance and conformance |

Defining the structures and methods used to direct behaviors and make decisions

Decisions in an organization must align with its mission and strategy. Organizations often use many different structures and methods for decision-making and directing activity and behaviors.

Governance structures used for decision-making:

Internal control regimes exist in all major economies; they protect organizations' assets, earning capacities, and reputations. Corporate governance facilitates effective, entrepreneurial, and prudent management that facilitates long-term success.

Organizations establish internal controls in alignment with the directives of governance structures in multiple ways, including:

- Risk management
- Financial controls
- Operational controls
- Compliance controls

The board of directors is responsible for determining the nature and extent of any significant risks it accepts when pursuing strategic objectives. The board should maintain risk management systems and internal control systems and review their effectiveness annually, at least.

Governance Methods

Similar to Governing structures, methods also help organizations in Decision making at the right level.

The key Governance methods include:

Delegate Authority

- Governing service providers, teams, and departments in the right way

Place decision making at right level

- Assessing decision making authority through risk weight

Consider the Governance impact on DPI

- considering the impact of external influence on governance directives