

#### 1. INTRODUCTION

Digital and information technologies have changed the world. Every aspect of life has been impacted in some way by technology that did not exist just 50 years ago.

Digital and information technologies have disrupted the business world, but they have also provided the keys to success. Each wave of innovation brings opportunities and capabilities to those organizations that are willing to change how they think and work.

The disruptive nature of innovations like artificial intelligence, machine learning, virtual working, and internet of things is compounded by the frequency of the innovations. Organizations must adapt quickly and repeatedly; continually adjusting their strategies.

# 2. WHAT IS ITIL 4 LEADER: DIGITAL AND IT STRATEGY

ITIL 4: Digital and IT Strategy is part of the ITIL 4 Strategic Leader designation. Digital and IT Strategy is a compilation and discussion of approaches and practices employed by business professionals who are navigating a landscape that is volatile, uncertain, complex, and ambiguous (VUCA).

The premise of ITIL 4: Digital and IT Strategy is that all organizations exist to provide products and/or services that other people need, and they need to do so efficiently and at a desired level of quality. An organization's strategy defines how it achieves this.

In a digitally enabled world, people need different products and services, and organizations can fulfil their customer's needs faster and better. Each new technology offers new opportunities and capabilities. A digital and IT strategy defines which of those opportunities and capabilities will best enable the organization to meet its purpose and remain viable.

Organizations need to change as rapidly as the environment around them. These changes usually lead to flatter organizational structures, more responsive operations, and



#### 3. WHO IS ITIL 4: DIGITAL AND IT STRATEGY FOR?

ITIL 4: Digital and IT Strategy was written for business leaders who understand that the future of their organization depends on how they use digital and information technology. Many of these leaders are IT managers who are learning to augment their technical expertise with business understanding. Others are business leaders who must learn how to harness the disruptive power of digital and information technology.

The publication is a guide for executives that explains how to ensure short-term results while planning for long-term viability. The content provides practical ideas and tools for defining the vision and strategy of the organization, and then implementing it through effective organizational change. The book also provides an overview of the capabilities needed in digital organizations.

The guidance will be useful to business analysts, steering committee members, enterprise architects, senior business managers, vendor managers, business relationship managers, and service management leaders.



#### 4. WHAT IS IN ITIL 4: DIGITAL AND IT STRATEGY?

The content in Digital and IT Strategy expands on, and provides a strategic perspective on, many of the subjects discussed in *ITIL Foundation: ITIL 4 Edition* and the ITIL 4 Managing Professional publications.

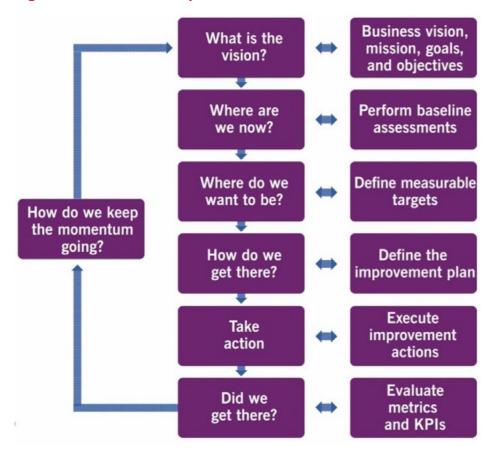
ITIL 4: Digital and IT Strategy is divided into three sections:

- The first section defines key concepts, such as digital organizations, strategy, digital transformation, business models, and operating models, and explains how they have evolved in recent years.
- · The second section describes how strategy is defined and implemented.
- The third section examines the capabilities required of digital organizations.

## 4.1 THE STRATEGY JOURNEY

Although strategy is about more than organizational improvement, strategic activities can be described using the ITIL 4 continual improvement model, shown in Figure 4.1, as a broad framework. ITIL 4: Digital and IT Strategy sections are further divided into chapters, some of which relate to the steps of the continual improvement model.

Figure 4.1 The continual improvement model



#### 4.1.1 WHAT IS THE VISION?

Before defining the vision, executives must understand how best to position the organization. This requires an understanding of the impacts of digital disruption and whether the organization should focus on niche customer solutions, building operational excellence, or both.

#### 4.1.2 WHFRF ARF WF NOW?

A baseline is created by assessing the organization's internal and external environment and the opportunities it faces. Digital capabilities are assessed using a digital readiness assessment.

#### 4.1.3 WHERE DO WE WANT TO BE?

Following a gap analysis, the vision is refined and agreed and measurable objectives are set.

#### 4.1.4 HOW DO WE GET THERE?

This chapter focuses on strategy planning, review cycles, and content. Various strategic approaches are considered in terms of their ability to bring the organization closer to its desired position and vision. The plan's financial aspects are quantified and business cases drafted as a basis for discussing and obtaining approval for the plans.

#### 4.1.5 TAKE ACTION

Strategies are implemented and managed as initiatives. This chapter describes how this should be done and discusses the importance of communication and organizational change management. It also includes a section on leading digital transformation programmes.

## 4.1.6 DID WE GET THERE?

This chapter describes specialized metrics and how to report and use them to ensure effective strategy. It focuses on achieving short-term success and ensuring the long-term sustainability of the organization.

# 4.1.7 HOW DO WE KEEP THE MOMENTUM GOING?

In the short term, new solutions must be implemented alongside existing business operations. In the long term, the organization must focus on how it will continue to be viable.

# 4.2 STRATEGIC CAPABILITIES

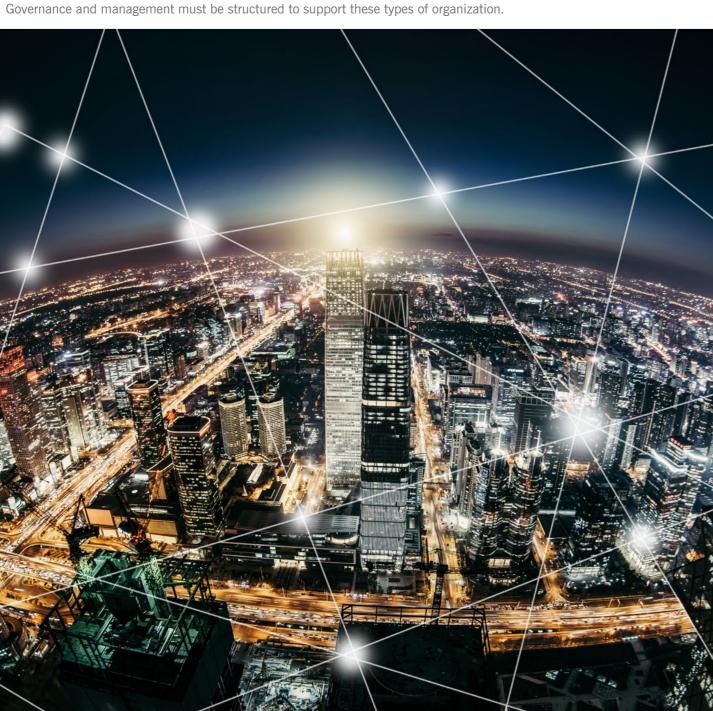
Digital organizations need specialized capabilities. These are described in four sections:

- **Digital leadership** This section describes the characteristics, mindset, education, and management techniques of leaders of successful digital organizations.
- Managing innovation and emerging technologies Innovation and the ability to adopt new technology are crucial in a digital organization. This section defines how to achieve this formally and informally at every level.
- **Managing strategic risk** Every opportunity introduced by new technology introduces risk. This section explains how to manage the risk associated with individual opportunities, as well as the business risk associated with 'going digital'.
- Structuring for digital business Digital businesses work differently; they use
  agile working methods, distributed decision-making, and shallow structures.
   Governance and management must be structured to support these types of organization.

## 5. SUMMARY

ITIL 4: Digital and IT Strategy is not just for IT professionals, but for every leader who understands that their industry has been disrupted by technology. These leaders work with technical specialists and managers at every level of the organization to ensure that people can make the transition.

ITIL 4: Digital and IT Strategy is for all leaders and aspiring leaders who embrace emerging technology but remain passionate about the purpose of their organization. A digitally enabled world is unavoidable, and digital transformation is the key to long-term organizational viability.





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