

WHAT IS...?

ITIL® Digital and IT Strategy (DITS)

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WHAT'S INSIDE:

Introduction

What is Digital and IT Strategy?

Key Concepts

Business and Digital Strategy

The Strategy Journey

- ▶ What Is The Vision?
- ▶ Where Are We Now?
- ▶ Where Do We Want To Be?
- ▶ How Do We Get There?
- ▶ Take Action
- ▶ Did We Get There?
- ▶ How Do We Keep the Momentum Going?

Strategic Capabilities

Make a Difference!

Want to Learn More?

I Introduction

Digital and information technologies have ushered in a new age of business, society, and economy. Simply put, they have changed the world. Things work differently today than they did just 20 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 the internet of things is compounded by the frequency of the innovations.

Organizations must adapt quickly and repeatedly; continually adjusting their strategies.

What is Digital and IT Strategy?

ITIL 4: Digital and IT Strategy (DITS) focuses on the alignment of digital business strategy with IT strategy, adding a new perspective to the ITIL suite and elevating the discussion around ITIL concepts to a strategic level among business leaders.

DITS was written for business leaders, and those aspiring to lead, who understand that the future of their organization depends on how they use digital and information technology. DITS 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.

DITS is for all leaders and aspiring leaders who embrace emerging technology but remain passionate about the purpose of their organization

The **ITIL Leader: Digital and IT Strategy** certification is part of the ITIL 4 Strategic Leader certification; along with **ITIL Strategist: Direct, Plan and Improve**. DITS 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 DITS 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 fulfill 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 faster decision-making.

"When a flower doesn't bloom, you fix the environment in which it grows—not the flower"

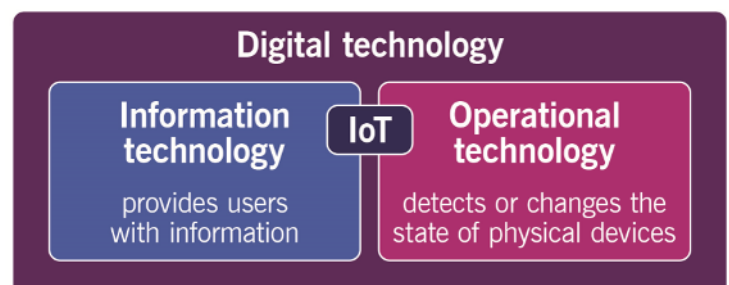
Alexander den Heijer

Key Concepts

Digital technology is any technology that digitizes something or processes digital data. It encompasses *information technology* (IT) and the parts of *operational technology* (OT) that have been digitized. It depends on the use of communication technology.

- **Information technology** – the application of digital technology to store, retrieve, transmit, and manipulate data
- **Operational technology** – the application of digital technology for detecting or causing changes in physical devices through monitoring and/or control
- **Communication technology** – any technology that encodes, transmits and decodes signals, voice or data

Information is data that is useful in context. The objective of IT is to make information available to end users. The objective of OT is to use digitized data to act. OT devices (such as a video doorbell) are supported by information and communication technologies, which connect them to one another and to information systems. The resulting solutions comprise what is known as the Internet of Things.



A **digital organization** is an organization that is enabled by digital technology to:

- Do business significantly differently
- Do a significantly different business

A digitally enabled world is unavoidable, and digital transformation is the key to long-term organizational viability. **Digital transformation** is 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.

Executives should view digital transformation as an organization's ability to identify innovative uses of both emerging and current technologies. The organization should then respond by transforming its strategy and operations to maintain and grow its market position. Many approaches limit digital transformation to technologies, such as data, automation, and virtualization. However, transformations impact all areas of an organization.

Business and Digital Strategy

An organization's governing body defines the direction it should take. It also defines policies that guide how to achieve the strategy. Managers at all levels, including the CEO, define how to execute the strategy, comply with policies, and achieve the governing body's objectives.

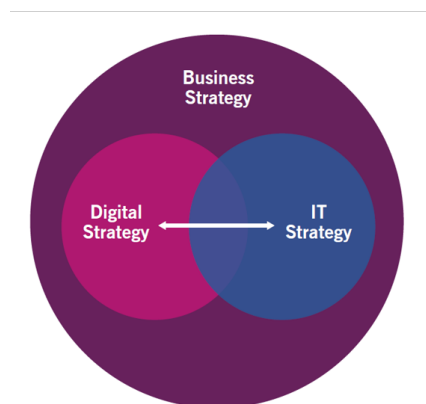
A **business strategy** is how an organization defines and achieves its purpose. Every organization has a business strategy. Some organizations maintain a formal set of processes and documents. Others rely on less-formal communication, decision-making criteria, and patterns of behavior by the governing body and executives.

A **digital strategy** is a business strategy that is based all or in part on using digital technology to achieve its goals and purpose. The term 'digital strategy' is commonly used to refer to:

- Elements of the business strategy that are based on the use of digital technology
- A migration plan whereby an organization automates its activities or replaces outdated technology with digital technology

Neither of these statements reflects the broad range of opportunities or impact that digital technology offers. Nor do they reflect the fundamental shift in culture, practices, and objectives that an organization must experience to be successful in a digital world. Rather, these two statements imply that the business strategy is separate from the technology used to achieve it.

A revised perspective is that digital and IT strategies merge in response to an organization's growing reliance on technology. This is achieved by seeking new opportunities and maximizing the use of current capabilities.



Digital strategy is the business strategy based on emerging technologies.

The terms 'strategy', 'business model', and 'tactics' are often used interchangeably, yet they each have different meanings. *ITIL 4: Direct, Plan and Improve* defines them as:

- **Strategy** – the course of action by which an organization achieves its objectives
- **Business model** – a formal description of how an organization should be configured to create value for customers based on its strategy
- **Tactics**– the specific methods by which a strategy is enacted

A business model is a framework that consists of three major themes:

- How an organization works to realize value through its products, services, and service offerings
- How an organization creates value
- How the organization will fulfill its commitments and meet expectations

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. *ITIL®4: Direct, Plan and Improve* defines an **operating model** as a 'conceptual and/or visual representation of how an organization co-creates value with its customers and other stakeholders, as well as how the organization runs itself.'

There are two key themes in an operating model:

- The key work that takes place (i.e., the organization's value streams, which illustrate the main work an organization needs to do to deliver its value propositions to its identified consumers)
- The context in which the value streams will be performed

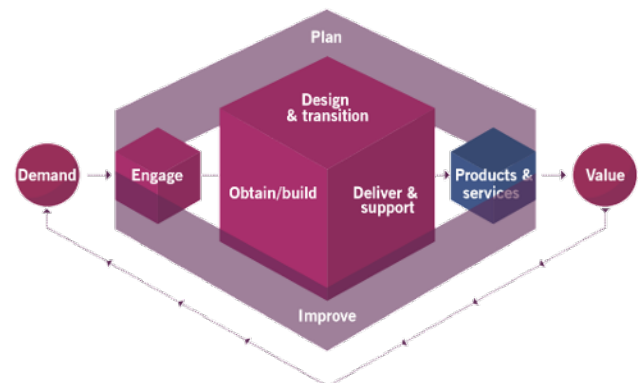
An operating model for a digital organization will look very similar to that of any other organization.

An operating model for a digital organization is unique in that:

- Many of the technologies specified are emerging technologies, although they often perform the same function as older technologies or manual activities in other operating models
- It is likely to emphasize innovation and experimentation
- Its processes will be geared towards the pace of change in the organization's environment (e.g., they will be more agile in nature; they will focus more on speed to market, minimum viable products, and the incremental development of products and services)

ITIL SERVICE VALUE CHAIN

A detailed operating model suitable for digital organizations.



The Strategy Journey

Although strategy is about more than organizational improvement, strategic activities can be described using the ITIL 4 continual improvement model as a broad framework.

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.

DIGITAL DISRUPTION

A fundamental shift in an organization's operation caused by the development of digital technology.

Where Are We 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.

Where Do We Want To Be?

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

How Do We Get There?

This step 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.

Take Action

Strategies are implemented and managed as initiatives. This step describes how this should be done and discusses the importance of communication and organizational change management. It also includes an emphasis on leading the digital transformation program.

Did We Get There?

This step 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.

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.

Strategic Capabilities

Digital and IT Strategy explores four universal strategic capabilities that can be applied at every step of the strategic journey.

These strategic capabilities are:

- **Digital leadership** – the characteristics, mindset, education, and management techniques of leaders of successful digital organizations
- **Managing innovation and emerging technologies** – how to achieve this formally and informally at every level of the organization
- **Managing strategic risk** – how to manage the risk associated with individual opportunities, as well as the business risk associated with 'going digital'
- **Structuring for digital business** – the recognition that digital businesses work differently; they use agile working methods, distributed decision-making, and shallow structures

While digital technology creates new opportunities and capabilities, many of the principles and practices that have been learned over decades are just as important as ever, if not more so. Governance, leadership, service, and quality are not uniquely digital issues.

Make a Difference!

Any initiative that introduces new ways of thinking and working will affect organizational culture.

Effective communication plans, training, guiding principles, and clear policies and procedures are all needed to achieve the desired performance outcomes and enable collaboration between the many different people involved in continual improvement.

Contribute to your organization's digital transformation effort by expanding your knowledge of best practices and by enthusiastically using what you learn to lead implementation and improvement activities.

BE A CHANGE CHAMPION!

Culture change and progress cannot happen without the support of people like you. **Take action!**

Want to Learn More?

Training helps individuals and organizations build and maintain their capabilities. Training also provides individuals the knowledge, skills and information needed to fill their role in the organization or achieve their career goals, along with a place to test and develop the confidence to use these skills.

The ITIL 4 qualification scheme provides a role-based, modular approach that is comprised of qualifications focused on different aspects of ITIL best practice to various degrees of depth and detail.

The structure of the ITIL qualification scheme offers individuals flexibility relating to the different disciplines and areas of ITIL and the ability to focus their studies on key areas of interest.



For modern IT organizations, we believe that continuous improvement is achieved by leveraging and integrating the practices of multiple methods and frameworks. [Our portfolio](#) includes a full line of IT Service Management (ITIL), Agile Service Management, process design (CPDE), DevOps, Lean, Site Reliability Engineering (SRE) and Employee Experience (XLA) offerings, including certification courses, workshops and simulations.

Read [What's ITIL 4 Qualification Scheme](#).

See ITSM Academy [class options and dates](#) or download the [course catalog](#).

Contact us to schedule time with a subject matter expert.

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Additional Resources:

- [ITSM Professor Blog](#) - a WEALTH of knowledge published weekly since 2008
- [Webinar Archives](#) - Monthly since 2007
- [ITSM Academy Resource Center](#)



ITSM Academy

We are a female owned small business, established in 2004. Our extensive catalog contains accredited and sustainable IT Service Management (ITSM) education and advice including; ITIL®, DevOps, Process Design (CPDE), Agile, Site Reliability Engineering (SRE), Value Stream Mapping (VSM) and Experience Level Agreement (XLA). Our business values are founded on trust, loyalty, professionalism and long term relationships.

...educate and inspire is not just our corporate slogan, it speaks to our core mission and goal.



Follow our founder and CXO, Lisa Schwartz, on [LinkedIn](#).

Instructors

Every ITSM Academy instructor is certified to the highest levels in the areas they train. They have years of hands-on IT practitioner experience, enabling them to effectively intertwine theory and real-life stories and scenarios. Using the highest quality content, this engaging training style encourages active group participation, allowing all learners to bring from class a wealth of practical and actionable knowledge.

Accreditations

All of ITSM Academy's certification courseware is developed or enhanced in-house and is accredited by independent, international organizations where applicable.



Game On! - Interactive Learning

Involves students in active learning, using the engaging qualities of a game, fueled by our subject matter experts.

Courseware Licensing (all developed or enhanced in house)

In addition to our public and corporate/onsite training, our courseware is available for licensing / co-branding under our flexible licensing program, including Train-the-Trainer (for qualifying organizations).

my.itsmacademy.com (digital portal)

Extends the learning experience with games, videos, exercises, sample exams, and course materials. It also provides instructors a vast repository of information and guidance to successfully prepare for and teach our courses.

Professional Education Hours (CPDs/PDUs/CPEs/CEUs):

ITSM Academy is proud to make it possible for individuals who attend our classes to earn professional education hours. (e.g., CPDs, PDUs, CPEs, CEUs). These professional education hours can be submitted to associations such as PeopleCert, the Project Management Institute and ISACA, if applicable.



The Story of the Academy

Today, ITSM Academy is widely recognized for its expertise in multiple IT frameworks (ITSM, ITIL, Process Engineering (CPDE), DevOps, Agile Service Management, Lean) and, more importantly, how they work together. But that's not where we started.