

**IT Service Management
Service Support (based on ITIL®)
Edition November 2007**

content

- 2 introduction
- 3 CMJ case scenario
- 4 sample exam
- 9 answer key

appendix

- appendix A588.1

EXIN International B.V.

Examination Institute for Information Science

Janssoenborch, Hoog Catharijne
Godebaldkwartier 365, 3511 DT Utrecht
P.O. Box 19147, 3501 DC Utrecht
The Netherlands
Telephone +31 30 234 48 25
Fax +31 30 231 59 86
E-mail info@exin.nl
Internet www.exin-exams.com



Introduction

This is the sample exam IT Service Management Service Support (based on ITIL®).

Exam results

The maximum number of points that can be obtained for this exam is 100. The maximum number of points that can be awarded for each question is indicated after the question number. If you obtain 50 points or more you will pass.

The time allowed for this exam is 180 minutes.

Answering the questions

If the question requires you to give a number of examples or alternatives, you must provide the exact number of examples or alternatives requested.

The answers will be evaluated in the order in which they are given. If you are asked to give **three** examples and you give **five**, only the first **three** examples will be evaluated.

Please note that you will only receive the maximum number of points for your answer if it is given in the exact form requested.

At the beginning of this exam you will find a case scenario that provides extra information related to the company. You may need this case scenario, as well as the appendix which accompanies this exam, when answering the questions.

Some questions add new information about the company. Please note that such statements may also apply to later parts of the question.

The pages are numbered. Please make sure that you have all of the pages.

No rights may be derived from this information.

Good luck!

Copyright © 2007 EXIN

All rights reserved. No part of this publication may be published, reproduced, copied or stored in a data processing system or circulated in any form by print, photo print, microfilm or any other means without written permission by EXIN.

ITIL® is a Registered Community Trade Mark of OGC (Office of Government Commerce, London, UK), and is Registered in the U.S. Patent and Trademark Office.

CMJ case scenario

CMJ has recently made an acquisition of a company (FashionX) with 15 retail outlets in Eastern Europe. The head office of FashionX is located in Warsaw, Poland. One of the main reasons for this acquisition is the synergy between the two companies. FashionX has a very similar organization and operation to CMJ. Its size, the number of stores, and the timing of its sale just fitted perfectly into CMJ's corporate objective.

The Board of Directors of CMJ has decided that both companies must use the same financial system, in order to enable the required consolidation and proper management of finances. FashionX has its own financial information management system, named FX-FINANCE, which is drastically different from FIMS in terms of design and functionality.

FIMS (Financial Information Management System) has been installed at the head office of FashionX. An interface has been developed to link FIMS and FX-FINANCE together to upload the financial data every night. FIMS has also been enhanced to be in compliance with the local tax regulations for each European country.

The next step was to leverage the application development resources and its management. The Application Development Group of FashionX was immediately merged with the Mainframe Application Development Group of CMJ. Any support and further enhancement requirements of FashionX's currently used applications will be performed by the Mainframe Development Group of CMJ. The medium term objective is for both companies to use the same application systems.

To address the shareholders' concerns on cost control and reduction, the Board of Directors has made the following decisions:

1. Each Division and department will be responsible for its own operating budget in both CMJ and FashionX.
2. The new interactive website will be the responsibility of the Marketing and Advertising Department in the Administration Division in terms of specifications and budget (capital and operational).

Sample exam

1 of 5 (20marks) Service Desk

1A. (8m)

CMJ has decided to improve its customer orientation. Users of IT Services have been informed they can now call a single Service Desk number for questions and support and in case of a malfunction. This Service Desk will support head office, retail locations, and manufacturing plants.

The personnel for the new Service Desk will come from the following IT Departments:

- Point-of-sale (POS) Support
- Network Support
- Server, Desktop and Peripheral Support
- Mainframe Support

Describe **four** key actions that should be taken to further develop this new Service Desk.

1B. (12m)

One of the recommendations from the assessment report from the external consulting organization is the introduction of a formalized Service Desk function.

One of CMJ's objectives is to "make use of local third party vendors and partners to assist in the realization of its ambitious objectives." It is therefore logical to consider outsourcing the Service Desk.

Describe **three** benefits and **three** challenges for CMJ of outsourcing their Service Desk to an external organization.

2 of 5 (20marks) **Incident Management**

2A. (8m)

You have been appointed Project Manager to set up the Incident Management process.

List (in the order in which they should be carried out) **seven** activities that should be included in a plan to set up and implement the Incident Management process.

2B. (6m)

The Management of CMJ plans to set up 20 new retail outlets in the United States and 15 new retail outlets in Eastern Europe. During the initial setup and opening of these retail outlets, the Incident Management Process is important to ensure any Incidents related to the POS Systems are resolved with minimal delay.

As the Project Manager you have been asked to state and describe **three** critical success factors for the Incident Management Process.

2C. (6m)

The supplier of [Desktop Office Suite] has its own separate Incident Management process.

[Desktop Office Suite] users call the supplier's Service Desk directly because all Incidents are ultimately referred there anyway. Usually, only the [Desktop Office Suite] supplier is capable of solving Incidents that are related to this application.

Do you recommend that users continue to contact the supplier's Service Desk? Explain your answer.

Describe **two** alternatives for handling the Incidents related to this application.

3 of 5 (20marks) **Configuration Management**

3A. (8m)

You are the leader of the IT Service Management Steering Committee for implementing Configuration Management within CMJ. During the last meeting, the IT Service Management Steering Committee discussed the objective for the Configuration Management process.

This mission/goal/objective has been formulated as "Registration of all configuration parts of the IT Infrastructure".

List **two** additional items which you think should be included in the mission statement. For each item, provide **one** example from the CMJ organization which demonstrates the value of the item.

3B. (12m)

The Production Inventory Management System (PIMS) is known for its frequent failures. The Management of CMJ has decided that this situation has to be changed as fast as possible, because Downtime of this system has a severe Impact on the production process and therefore the business as a whole.

As the expert in Configuration Management, you have been asked to define attributes that need to be recorded in the CMDB for this service. Name **three** types of information that need to be stored in the CMDB for the PIMS system. Explain how each type of information named can be used to help improve the situation as described above.

4 of 5 (20marks) Release Management

4A. (6m)

The existing official software Release strategy for all platforms within CMJ consists of a semi-annual package Release. However, the users want new software to be made available as soon as requested (on-demand Release strategy).

Briefly describe the following three Release types and provide a relevant example of each Release type for CMJ.

1. Full Release
2. Delta Release
3. Package Release

4B. (8m)

The existing official software Release strategy for all platforms within CMJ consists of a semi-annual package Release. However, the users want new software to be made available as soon as requested (on-demand Release strategy).

Name **two** examples of costs, **two** advantages, and **two** areas of attention that would result from implementing this on-demand Release strategy preferred by the users.

4C. (6m)

The existing official software Release strategy for all platforms within CMJ consists of a semi-annual package Release. However, the users want new software to be made available as soon as requested (on-demand Release strategy).

Name **three** possible modifications to the existing software Release strategy (semi-annual package Release) that will satisfy the users' wishes.

5 of 5 (20marks) **General**

5A. (8m)

The Financial Reporting application experienced a major failure a few weeks ago during the month-end data processing. Despite their best efforts, the IT staff took over five days to restore the application to normal operations. The Board of Directors and the Finance and Accounting Department were not satisfied with the handling of this major failure.

The CIO asks you to write a memo to the Board of Directors to explain the possible contributions that the Service Desk, Problem Management and Configuration Management can make in restoring such a major failure more efficiently and effectively, and at the same time, improve User satisfaction and perception. He asks you specifically to explain **two** contributions for **each** of the given processes/ functions (Service Desk, Problem Management and Configuration Management).

5B. (6m)

After a lengthy investigation, the cause of the major failure during the month-end data processing was traced back to a quickly approved and implemented Change. It seems that the Change Management process is not yet working optimally and according to best practices.

Provide **three** examples for **each** of the Change Management and Release Management processes, showing how they can contribute to the prevention of IT Service failures.

5C. (6m)

To the CIO, IT Service failure is just like a 'fire', not only impacting the IT Services but also CMJ overall. Therefore, the CIO wishes to have a means to control and put out the 'fire' first, and then ways to prevent the 'fire'. With that, the CIO asks you to recommend a sequence in the implementation of Service Support processes and Service Desk function to quickly achieve his wishes, and also to justify your recommendation.

Answer key

1 of 5 (20marks) Service Desk

1A. (8m)

CMJ has decided to improve its customer orientation. Users of IT Services have been informed they can now call a single Service Desk number for questions and support and in case of a malfunction. This Service Desk will support head office, retail locations, and manufacturing plants.

The personnel for the new Service Desk will come from the following IT Departments:

- Point-of-sale (POS) Support
- Network Support
- Server, Desktop and Peripheral Support
- Mainframe Support

Describe **four** key actions that should be taken to further develop this new Service Desk.

1A. M.G.

Possible key actions:

- Introduction of a common Service Desk tool to ensure that Incidents that are registered by the Service Desk personnel can immediately be passed on to the appropriate technicians.
- Establishing a mixed Incident Management project group to guarantee cooperation between the various sites, the office sites and the sales offices.
- Starting up a program for the development of skills for the Service Desk personnel.
- Establishing a clear definition of services that are offered by the Service Desk.

Note: Other activities or steps are possible.

See section 4.6 of the Service Support book.

1A. Mark distribution

2m for each step

8m maximum

1B. (12m)

One of the recommendations from the assessment report from the external consulting organization is the introduction of a formalized Service Desk function.

One of CMJ's objectives is to "make use of local third party vendors and partners to assist in the realization of its ambitious objectives." It is therefore logical to consider outsourcing the Service Desk.

Describe **three** benefits and **three** challenges for CMJ of outsourcing their Service Desk to an external organization.

1B. M.G.

Benefits of outsourcing:

- Can be cost-effective due to economies of scale
- External party is not involved in the internal "politics" of CMJ, which may help in gaining cooperation from the various support groups
- Allows CMJ staff to focus on core business

Challenges of outsourcing:

- Limited CMJ specific knowledge and experience
- Increased risk of data confidentiality
- High level of management focus needed in the beginning to ensure that third party is meeting contractual obligations

Note: Other benefits and challenges may be possible.

See section 4.3 of the Service Support book.

1B. Mark distribution

2m per benefit (max **6m**)

2m per challenge (max **6m**)

12m maximum

2 of 5 (20marks) Incident Management

2A. (8m)

You have been appointed Project Manager to set up the Incident Management process.

List (in the order in which they should be carried out) **seven** activities that should be included in a plan to set up and implement the Incident Management process.

2A. M.G.

Activities for implementation:

- Define the scope – include charter and scope statement with approval of executive sponsor
- Identify resources and budget that the sponsor can commit to development of the Incident Management process
- Assemble the project team and identify roles and responsibilities
- Design the Incident Management process and procedures (goal state)
- Develop Key Performance Indicators (KPIs) and metrics
- Conduct a current state assessment
- Perform a gap analysis between the current state and goal state
- Identify and develop documentation (work instructions, policies, training materials, etc.)
- Formally implement the Incident Management process
- Schedule and conduct training

Note: Not all activities named above need to be present.

2A. Mark distribution

1m for a logical order of the activities (a different order may also be accepted by the examiner providing it is logical/ plausible)

1m per activity (max **7m**)

8m maximum

2B. (6m)

The Management of CMJ plans to set up 20 new retail outlets in the United States and 15 new retail outlets in Eastern Europe. During the initial setup and opening of these retail outlets, the Incident Management Process is important to ensure any Incidents related to the POS Systems are resolved with minimal delay.

As the Project Manager you have been asked to state and describe **three** Critical Success Factors for the Incident Management Process.

2B. M.G.

Critical Success Factors:

- An up-to-date Configuration Management Database (CMDB) is a prerequisite for an efficiently working Incident Management process. If a CMDB is not available, information about Configuration Items (CIs) related to Incidents would need to be obtained manually, and determining Impact and Urgency will be much more difficult and time-consuming.
- A 'knowledge base' in the form of an up-to-date Problem/ Known Error database should be developed to provide resolutions and Workarounds. This will greatly speed up the process of resolving Incidents. Third-party Known Error databases should also be available to assist in this process.

2B. M.G. continued

- An effectively automated system for Incident Management is fundamental to the success of a Service Desk. Paper-based systems are not really practical or necessary, now that good and cheap support tools are available.
- Forge a close link with the Service Level Management (SLM) process to obtain necessary Incident response targets. Timely Incident resolution will satisfy Customers and users.

See section 5.5 of the Service Support book.

2B. Mark distribution

2m for stating and describing each success factor

6m maximum

2C. (6m)

The supplier of [Desktop Office Suite] has its own separate Service Desk and Incident Management process.

[Desktop Office Suite] users call the supplier's Service Desk directly because all Incidents are ultimately referred there anyway. Usually, only the [Desktop Office Suite] supplier is capable of solving Incidents that are related to this application.

Do you recommend that users continue to contact the supplier's Service Desk? Explain your answer.

Describe two alternatives for handling the Incidents related to this application.

2C. M.G.

The users should not contact the supplier's Service Desk directly, because this would result in CMJ not getting sufficient information regarding Incidents against the [Desktop Office Suite] application.

Alternatives:

CMJ accepts and records Incidents according to the standard CMJ Incident Management process, and then functionally escalates these Incidents to the supplier as appropriate. The Incident Management staff on the supplier side will be required to maintain the Incident record according to the CMJ Incident Management process.

The [Desktop Office Suite] supplier can be asked to train CMJ's Service Desk and Incident Management personnel so that CMJ can supply first-line and/ or second-line support themselves.

2C. Mark distribution

2m for not allowing users to continue to call the supplier's Service Desk, with a valid reason for this

2m per alternative (max **4m**)

6m maximum

3 of 5 (20marks) Configuration Management

3A. (8m)

You are the leader of the IT Service Management Steering Committee for implementing Configuration Management within CMJ. During the last meeting, the IT Service Management Steering Committee discussed the objective for the Configuration Management process.

This mission/goal/objective has been formulated as "Registration of all configuration parts of the IT Infrastructure".

List **two** additional items which you think should be included in the mission statement. For each item, provide **one** example from the CMJ organization which demonstrates the value of the item.

3A. M.G.

Additional items:

- Account for all the IT assets and configurations within the organization and its services
Example: In an international organization like CMJ it is important to know which systems are up and running, which are spare parts right now and where these are in case one needs spare materials. Configuration Management will keep track of each item and its present usage and status. The Incident Management Process can use this knowledge to restore the service within the time limits defined in the SLAs.
- Provide accurate information on configurations and their documentation to support all the other Service Management processes
Example: Changes to IT Systems like the POS System can only be evaluated correctly when all aspects of a CI are known to the evaluator. This can be important when analyzing the consequences of a Change in a shop one has never seen, nor set up.
- Provide a sound basis for Incident Management, Problem Management, Change Management and Release Management
Example: A given situation can only be analyzed when sufficient data is available about the CI and its relations to other CIs in the IT Infrastructure. This is particularly important when certain activities are done only on a global / corporate level for all locations like Problem Management or Release Management. The root causes found in one shop might cause Incidents in other sites when distributing the new release. When changing the WAN setup, one needs to take into account all local POS Systems and their linkup to the central Mainframe Systems.
- Verify the configuration records against the IT Infrastructure and correct any exceptions
Example: The value of the CMDB is only given, when the data in the database is correct and valid. Irrelevant and false data will not help the other central CMJ IT Service Management processes and therefore will not be used. This will lead to separate data collections required by each process. Only a centrally correct and up to date CMDB will reduce and cut out the repetitive collection of present situation data and cut the associated costs.

See section 7.1 of the Service Support book.

3A. Mark distribution continue

2m for each item (max **4m**)

2m for an example from CMJ which demonstrates the value of the item (max **4m**)

8m maximum

3B. (12m)

The Production Inventory Management System (PIMS) is known for its frequent failures. The Management of CMJ has decided that this situation has to be changed as fast as possible, because Downtime of this system has a severe Impact on the production process and therefore the business as a whole.

As the expert in Configuration Management, you have been asked to define attributes that need to be recorded in the CMDB for this service. Name **three** types of information that need to be stored in the CMDB for the PIMS system. Explain how each type of information named can be used to help improve the situation as described above.

3B. M.G.

Possible types of information:

- People to contact when system is down
Informing the right people when the system is not available is important to allow alternative procedures to be initiated. Only when the people to be informed are known to the Service Desk can such information be given.
- Release Number of the PIMS System
Each Incident can be associated with a Release. This will allow the monitoring / tracking of Incidents that have been removed in one Release but reoccurred in a later Release.
- Software decomposition of the System
As the System is an in-house system, all components and modules that form part of the system have to be maintained to form a particular Release of the system. This information needs to be tracked in order to pinpoint the modules that have changed between two software Releases.
- Interfaces to and from other systems within the organization
When the PIMS system is down, it is important to know which other systems are not provided any longer with data and which systems can no longer deliver data to the system.

Note: Other attributes / types are acceptable.

See Annex 7C of the Service Support book.

3B. Mark distribution

1m for each type of information required in the CMDB (max **3m**)

3m for how it can be used to improve the situation (**3m** per information type) (max **9m**)

12m maximum

4 of 5 (20marks) Release Management

4A. (6m)

The existing official software Release strategy for all platforms within CMJ consists of a semi-annual package Release. However, the users want new software to be made available as soon as requested (on-demand Release strategy).

Briefly describe the following three Release types and provide a relevant example of each Release type for CMJ.

4. Full Release
5. Delta Release
6. Package Release

4A. M.G.

1. Full Release

In a full Release, all components of the Release unit are built, tested, distributed and implemented together.

Example: New complete version of the POSISS application

2. Delta Release

A delta, or partial, Release is one that includes only those CIs within the Release unit that have actually changed or are new since the last full or delta Release.

Example: A minor enhancement for the POSISS application

3. Package Release

To provide longer periods of stability for the live environment by reducing the frequency of Releases, it is recommended that, where appropriate and where the resulting larger amount of Change can be confidently handled without problems, individual Releases (full units, delta Releases or both) are grouped together to form 'package Releases'.

Example: All the enhancements for a given period (say one month) to be released together for the POSISS application

See section 9.3 of the Service Support book.

4A. Mark distribution

- 1m** for a proper description of each Release type (max **3m**)
1m for a relevant example for CMJ (max **3m**)
6m maximum

4B. (8m)

The existing official software Release strategy for all platforms within CMJ consists of a semi-annual package Release. However, the users want new software to be made available as soon as requested (on-demand Release strategy).

Name **two** examples of costs, **two** advantages, and **two** areas of attention that would result from implementing this on-demand Release strategy preferred by the users.

4B. M.G.

Costs

- Whenever a new item of software is to be introduced into the live environment a Release has to be defined and rolled out. Doing this on demand means that the organization has to have sufficient resources to start ad hoc designing and building the Release for the live environment. This will lead to a larger headcount and thereby to higher costs. There will be more unplanned modifications and higher costs due to additional work (preparations, distribution, implementation).
- Every Release introduced into the live environment is associated with possible failures and Incidents. Distributing new software on demand means that the possibility of unavailability is given. This leads to more Incidents that need to be solved and thereby to higher costs in the Incident Process and subsequent Problem Management process.

Advantages

- The IT organization will be seen as being customer oriented and flexible, because customer requirements such as a new piece of software can be introduced on demand into the live environment. The business will feel well understood and supported by the IT organization.
- RFCs related to bugs can be implemented more timely and in a controlled way. This would save costs which would otherwise be incurred by continuing to use software containing bugs for a longer period of time.

Areas of attention

- The IT users might ask for new software to be introduced, but the IT Customers may not be willing to pay for these new Releases on demand. This potential conflict within the business organization would draw the IT organization into a conflict in which no real alternatives are given. Either the costs go up or the risks will rise and subsequent Downtimes are accepted.
- It becomes more difficult to manage the relationships between applications on the various platforms. Whenever new applications are introduced, the interfaces between the applications need to be investigated. These frequently change whenever a new Release is introduced, leading to additional Releases for other software packages. Increasing the frequency of Releases or doing Releases on demand will lead to more analysis and testing to ensure the required level of Availability.

Note: Other relevant examples are possible.

See section 9.4 and 9.5 of the Service Support book.

4B. Mark distribution

1m per example of costs (max **2m**)

1m per advantage (max **2m**)

2m per area of attention (max **4m**)

8m maximum

4C. (6m)

The existing official software Release strategy for all platforms within CMJ consists of a semi-annual package Release. However, the users want new software to be made available as soon as requested (on-demand Release strategy).

Name **three** possible modifications to the existing software Release strategy (semi-annual package Release) that will satisfy the users' wishes.

4C. M.G.

Possible modifications:

- Increase the frequency of the package Releases, for example once every two months.
- Release in smaller packages involving as few platforms as possible.
- Consider delta Releases in the event of minor requests for modifications.

Note: Other relevant modifications are possible.

See section 9.3 of the Service Support book.

4C. Mark distribution

2m per proposed modification

6m maximum

5 of 5 (20marks) General

5A. (8m)

The Financial Reporting application experienced a major failure a few weeks ago during the month-end data processing. Despite their best efforts, the IT staff took over five days to restore the application to normal operations. The Board of Directors and the Finance and Accounting Department were not satisfied with the handling of this major failure.

The CIO asks you to write a memo to the Board of Directors to explain the possible contributions that the Service Desk, Problem Management and Configuration Management can make in restoring such a major failure more efficiently and effectively, and at the same time, improve user satisfaction and perception. He asks you specifically to explain **two** contributions for **each** of the given processes/ functions (Service Desk, Problem Management and Configuration Management).

5A. M.G.

Service Desk

- Proper identification of the business Impact and Urgency during initial contact. With that, the priority of the Incident can be properly assigned in order to ensure the required efforts and support resources can be allocated in time.
- Proper identification of the category of the Incident during initial contact, so that right support team can be identified and contacted efficiently.
- Functional escalation to the proper support teams in a timely basis, so that support resources with more expertise can be called in to assist in the Incident resolution, (i.e. improved efficiency and effectiveness).
- Hierarchical escalation to management in a timely basis, so that management decisions can be made in a timely fashion to allocate more resources with more expertise (including suppliers and/or external experts).
- Keeping users and Customers informed of the current situation, so that users and Customers can adjust their own work and schedule accordingly, and/or take necessary measures to satisfy their Customers' needs.

Problem Management

- Root cause analysis using various methods like Kepner-Tregoe or Ishikawa diagrams, so that the root cause of the Incident can be more quickly identified in a structured manner.
- Problem, Known Error, and knowledge databases will be made available to the centralized Service Desk for Incident matching, so that past lessons can be applied quickly to avoid duplication of efforts in terms of Workaround or Problem identification.
- Workarounds will be worked out on a priority basis, so that service can be restored quickly to keep the end-users productive.
- Status and progress in the resolution of the Problem will be provided to the Service Desk on a regular basis for communication to the users and also the management.

5A. M.G. continued

Configuration Management

- Relationship information is made available to the Service Desk and other Service Management processes for quick analysis of the situation, e.g. quick impact assessment, so that the proper level of support can be identified and allocated quickly according to a pre-defined time period.
- Key CI information is made for analysis and planning of the situation, e.g. specifications for replacement parts or spares required to resolve the Incident.
- Identification of baselines and backup versions of the application are made possible that may be used to restore the application quickly.

Note: These lists are not exhaustive and other relevant contributions are possible.

5A. Mark distribution

2m for the memo format (proper heading, structured message, conclusion) with proper language geared towards a senior (non-IT) management audience

1m per contribution per process or function with proper explanation to show how it can contribute to the quick restoration of a major system failure (max **2m** per process)

8m maximum

5B. (6m)

After a lengthy investigation, the cause of the major failure during the month-end data processing was traced back to a quickly approved and implemented Change. It seems that the Change Management process is not yet working optimally and according to best practices.

Provide **three** examples for **each** of the Change Management and Release Management processes, showing how they can contribute to the prevention of IT Service failures.

5B. M.G.

Change Management:

- Ensuring that all relevant parties are informed and asked about possible Impacts of a Request for Change. This will ensure that all aspects of a Change are investigated and thereby the risk of quick decisions is reduced.
- Conducting Post Implementation Reviews so that lessons can be learned from mistakes made with previous Changes. For example, if a decision was taken too quickly this will show up in the PIR and this will lead to corrective actions to prevent a reoccurrence.
- Developing appropriate Change models that will identify the appropriate level of approval, resources, people, money and time required, even in the event of an Emergency Change.
- Ensuring that Changes are properly built, tested and implemented according to agreed specifications and to pre-defined criteria by Release Management. This will prevent insufficiently tested software being introduced into the live environment. Particularly helpful are regression tests that ensure that functions that worked once will work after the introduction of a Change.
- Ensuring that all Changes have a tested back-out plan developed and tested by Release Management, thereby ensuring that each Change can be reversed in case it should prove not to be successful during the introduction into the live environment.
- Ensuring that Changes taking place take the business situation into account. For example, a Change that can affect the end of month processing will not be implemented at the end of the month but at the beginning, to give ample time to test and see if the Change was successful.

5B. M.G. continued

Release Management:

- Ensuring that all relevant parties are informed about each upcoming Release, thereby giving the chance to test the new Release adequately and take any necessary corrective action.
- Requiring that only tested Releases are introduced into the live environment. This will ensure errors will not be introduced into the live environment, as they will have been eliminated during the testing phase.
- Ensuring appropriate Release rollout strategy and plans are developed. These will help to return to the last known Configuration (Baseline) in case something goes wrong when a Release is introduced into the live environment.
- Ensuring that proper access to the Definitive Software Library (DSL) is given and that only copies of authorized and approved versions of all software are in the DSL. This will ensure that there are no “private” copies of software introduced into the live environment.
- Ensuring that proper access to the Definitive Hardware Store (DHS) is given and ensure that only authorized and approved hardware is in the DHS. The live environment will only be stable and functional when all hardware Components issued from the DHS are compatible with all other Components in the live environment.

Note: These lists are not exhaustive and other relevant contributions are possible.

5B. Mark distribution

1m per contribution (max **3m** per process)

6m maximum

5C. (6m)

To the CIO, IT Service failure is just like a ‘fire’, not only impacting the IT Services but also CMJ overall. Therefore, the CIO wishes to have a means to control and put out the ‘fire’ first, and then ways to prevent the ‘fire’. Recommend to the CIO a sequence in the implementation of Service Support processes and Service Desk function to quickly achieve what he wishes. Justify your recommendation.

5C. M.G.

In order to properly answer this question, the delegates must realize that some processes are more reactive while others are more proactive. To achieve the CIO’s wish, the reactive processes should be implemented first, then the proactive ones.

Possible sequence:

1. Reactive process, function or activities

- Service Desk

will deliver a defined point of contact for everyone, to set of the alarm that something does not work the way it should – just like a fire alarm in a building

- Incident Management

will deliver a defined process and well tested procedures to handle the Incident recorded.

Using tested and well proven procedures means that the time to close the Incident will be cut down and the closure can be expected within a defined timeframe.

- Problem Management (problem and error control)

will ensure that Incidents that are occurring frequently are analyzed and the root cause removed. This will improve the IT Services over time and make these more stable. At the same time this process will deliver Workarounds which can be used by the Incident Management process to reduce Downtime.

5C. M.G. continued

It is acceptable to implement Incident Management before the Service Desk, in which case the Incident Management Process has to have an element of Incident capturing and documenting.

2. Proactive processes, function or activities

- Change Management

will ensure that only approved and tested Requests for Change are introduced into the live environment in a controlled fashion, thereby reducing the risk that an individual Change endangers the company more than absolutely required. In case this cannot be prevented, the risk associated with a particular Change is known and adequate countermeasures can be taken by the business.

- Release Management

will ensure that all Releases are well prepared, documented and tested before they are released into the live environment. In case the Release is not successful, adequate measures are available to reverse the release to the last known baseline or to minimize the Impact of the failure.

- Configuration Management

will ensure that all decisions are taken on a solid information base. By delivering correct information about the infrastructure the IT Service Management Processes are in the position to take knowledgeable decisions and thereby reduce the risk that Incidents occur or new Problems are introduced into the IT Infrastructure.

- Problem Management (pro-active activities)

will ensure that the root causes of Incidents are proactively identified and removed. Based on Incident trend data comparisons between comparable or equal systems at other locations, and information freely available in the IT Community (e.g. security advisories), pro-active actions are taken to remove the root causes before they cause Incidents.

This second set of processes will stabilize the infrastructure and ensure that only tested and adequately stable software and hardware are introduced into the live environment. This will, in the long run, reduce the number of Incidents (“fires”) occurring.

Note:

- It is acceptable for Problem Management to be considered to belong entirely within the proactive group.
- It is acceptable to implement Problem Management before the other proactive processes.

5C. Mark distribution

2m for implementing reactive processes, functions or activities first, followed by the proactive processes, functions or activities

4m for a properly justified sequence

6m maximum

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

IT Service Management (based on ITIL®)

content
appendix A588.1

At the end of the exam all papers should be handed in. It is not allowed to take home exam materials.



EXIN International B.V.
Examination Institute for Information Science
Janssoenborch, Hoog Catharijne
Godebaldkwartier 365, 3511 DT Utrecht
P.O. Box 19147, 3501 DC Utrecht
The Netherlands
Telephone +31 30 234 48 25
Fax +31 30 231 59 86
E-mail info@exin.nl
Internet www.exin-exams.com

Appendix A588.1

Exam
Copyright

IT Service Management (based on ITIL®)
EXIN

CMJ Ltd.

Background:

CMJ Apparels was founded in the early 1960's as a family owned and operated clothing manufacturer specializing in clothing for construction and manufacturing workers. Thanks to some investments involving mergers and acquisitions, and some careful, but aggressive, growth plans in the 1970's and 1980's, CMJ Apparels branched out into the retail world in 1997. Their low-end lines of clothing are still sold wholesale to major high street retailers, while their newer lines of high-end sporting apparel are sold in their own retail outlets all over the world.

Business situation:

CMJ went public in 1996 with the family retaining seventy-five percent of all voting shares. The decision to establish manufacturing plants in emerging economies such as China, India, Mexico etc. was well received from the business community. This same decision was not well received from the labor union at the head office in the Province of Québec, Canada. Labor relation difficulties and the threat of plant closure by has been a constant challenge to the current management of CMJ.

CMJ's retail division is under pressure to control its costs and the organization is under pressure from other major retailers to accommodate them via "Just-in-Time" production. CMJ has always been slow to adopt new technologies, but once adopted, it makes full use of them to get the maximum possible return on investment. The company's finances have been under greater scrutiny from investors of the company since launching its retail operations in 1997. For CMJ it appears that a re-organization needs to take place in the near future to reduce costs.

CMJ is aggressively promoting its own brand and logo through various means.

Although the company went public in 1996, CMJ is still a family owned organization. There was a change in management style from an autocratic, dictatorial approach by the original founder, to a more industry best practices approach. The sons and daughters of the founder, a self-made, unschooled entrepreneur, manage the organization and have done so since his death in 1998. Their approach to managing the organization is quite different from their father's dictatorial ways.

The founder of CMJ Apparels' approach to business was "the end justifies the means." The organization used to reward and recognize such behavior from its staff. However, after achieving ISO 900x certification in early 1999, the focus is now on procedures and processes. The ISO 900x certification is assessed yearly. The exception to this process approach seems to be in the Store Operations Department of the Retail Division where the old mentality of "the end justifies the means" still prevails.

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

Computerization of the office tasks has been in place since the early 1980's. Two major events forced the organization to create a more structured IT department; year 2000 (Y2K) and the establishment of the Retail Division. Until the launch of its Retail Division the IT functions reported to the Finance Department and consisted primarily of a mainframe with terminals only for managers and supervisors.

Organizational structure:

There are three main divisions within CMJ Apparels: Manufacturing, Administration, and Retail. The Head Office is located in Montréal (province of Québec), Canada.

The Board of Directors

The Board of Directors is made up of a Chief Executive Officer (CEO) and the head of each division. The Finance and Accounting functions report directly to the Board of Directors.

Chief Financial Officer (CFO):	Head of Finance and Accounting Department
Chief Operating Officer (COO):	Head of the Manufacturing Division
Chief Information Officer (CIO):	Head of the Retail Division
Chief Administrator (CA):	Head of the Administration Division

Recently the Chief Information Officer (CIO) has communicated his vision for IT in a memo to all IT staff (see the end of this case study).

The Manufacturing division

All regional manufacturing plants report to the Manufacturing Division and are organized in the same manner. Each regional manufacturing plant has the following departments: Management Team, Administration, Personnel Department, Plant Maintenance, and Plant Production.

The Administration Division

The Administration Division handles the Human Resources, Marketing and Sales, and the legal aspects of the organization. All administrative functions performed in each region report to this division.

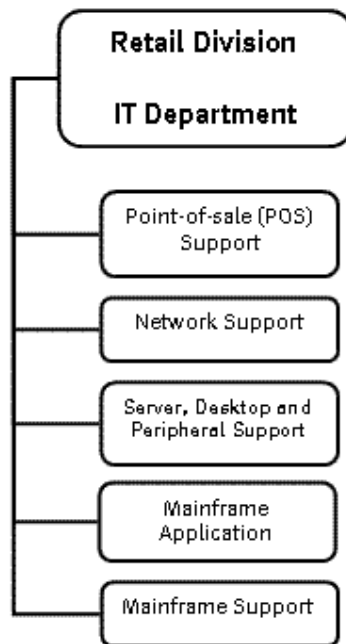
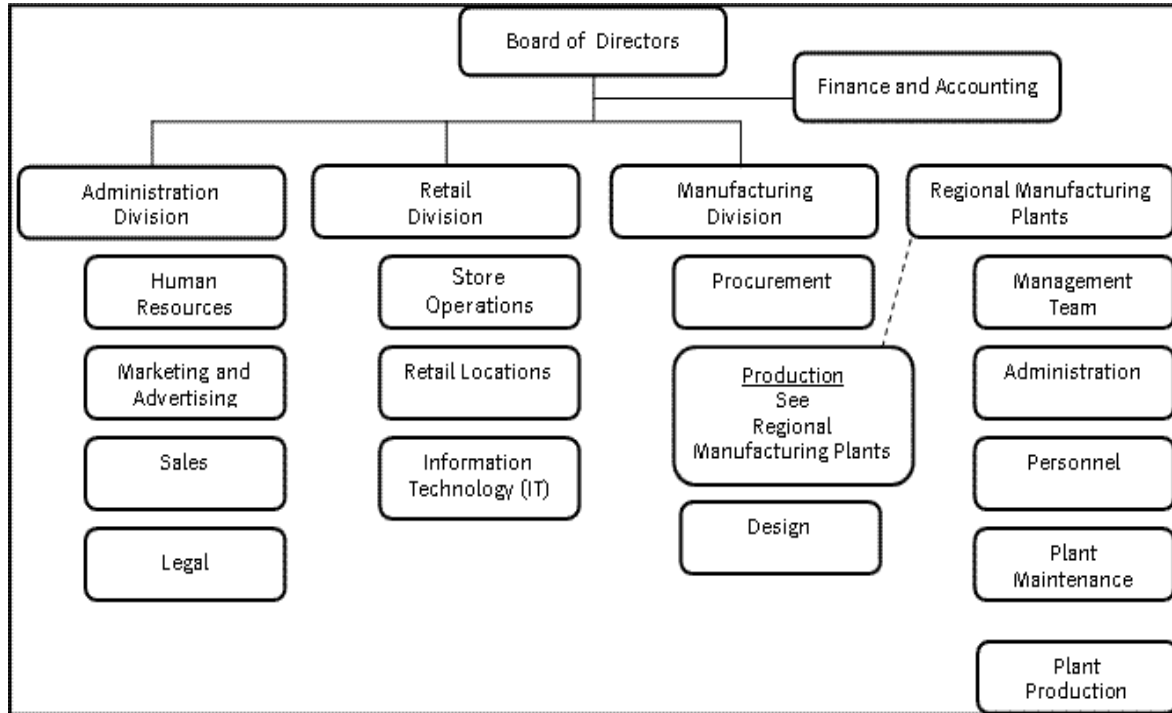
The Retail Division

The Retail Division handles all store operations (retail) activities and all IT functions. All IT functions are grouped into one IT Department. Because it is still relatively new, this department is not as structured or as disciplined as the others. While documentation for the retail operations has greatly improved, the same can not be said for the IT operations.

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

Company Organizational Chart



Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

Staffing:

There are nearly 1300 employees working for CMJ Apparels, broken down as follows:

	Total staff	Staff with access to a desktop/laptop
Manufacturing		
Montréal	75	15
Mexico City	90	15
Mumbai	135	20
Shanghai	126	20
Head Office	169	169
Retail locations	705	235

Not all employees have or require access to computer systems. There are some terminal systems that are used on a shared basis for many employees.

Departmental information:

Most departments, within each division, are small by nature. There is just enough staff to perform the activities but not enough to achieve all business objectives. Therefore it will be difficult to manage both the ongoing operations and also provide staffing for the various projects without calling upon external resources. The heads of the different departments are included in the total number of personnel for each department.

Finance and Accounting Department: 10 employees

This department is headed by the CFO, and reports directly to the Board of Directors. It handles all financial control functions for the organization. Three employees handle the accounting for the Manufacturing Division, while four handle the accounting for the Retail Division. The remaining two employees handle the consolidation of all financial matters for all regions and divisions.

The Administration Division:

The Administration Division is made up of four departments.

Human Resources: 4 employees

This department handles all of the functions of human resource such as recruiting, hiring and compensation. They work closely with their counterparts in each regional manufacturing plant to ensure strategy implementation and consistency.

Marketing and Advertising Department: 10 employees

This department handles all of the marketing and advertising for the company. It focuses on the business-to-business marketing for the lines of clothing sold wholesale to the major retailers as well as the marketing and advertising for the retail outlets.

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

Sales Department: 15 employees

This department handles all sales to the various major retailers. It interfaces primarily with the Production and Design Departments in the Manufacturing Division. It is heavily involved with the development of the business to business (B2B) model. The wholesale manufactured goods are picked up from the manufacturing plants directly by the major retailers. The distribution of manufactured goods to CMJ's own outlets is contracted out to various transport organizations depending on the geographic location of the region.

Legal Department: 6 employees

This department handles all of the legal aspects including regional local labor laws and legislation, labor contracts, international trade barriers, tariffs and permits. It also handles all of the public relations (PR).

Retail Division:

The Retail Division is made up of 3 major departments.

Store Operations: 15 employees

This department handles all of the retail functions. This includes among others: store layout, selecting new locations, retail procedures, sales techniques, events calendar and customer service.

Retail locations: 47 locations

There are 47 retail locations. Each retail location employs 15 people, 5 of whom are full time.

The number in parentheses indicates the number of retail locations in that country/city.

Canada (18):	Sherbrooke, Montreal (4), Toronto (4), Calgary, Edmonton, Vancouver (2), Ottawa, Winnipeg, Quebec City (3)
USA (10):	Denver, Los Angeles, San Francisco, Boston, New York, Miami, Chicago, Seattle, Philadelphia, Orlando
Mexico (1):	Mexico City
Europe (9):	London, Paris, Frankfurt, Madrid, Milan, Rome, Amsterdam, Dublin, Marseille
Asia (6):	Shanghai, Hong Kong, Tokyo, Kyoto, Singapore, Kuala Lumpur
Australia (3):	Perth, Sydney, Melbourne

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

Manufacturing Division:

The Manufacturing Division is made up of three departments.

Procurement Department: 20 employees

The Procurement Department handles the purchasing of various fabrics from around the world. There are 12 buyers, 3 based at each site, who work for the Procurement Department around the world. This Procurement Department has nothing to do with procuring equipment and/or office supplies. Its only focus is fabrics, threads, buttons and all other related clothing supplies. However, as a measure to cut travel costs, there is a lot more negotiating and ordering via the WEB and there is a greater use of both “telephone” and “web” conferencing. This group has negotiated all of their conferencing needs themselves, including technical support.

Production Department: 426 employees

The Production Department produces various clothes. There are 4 major plants: Montréal (Canada - 75 people), Mumbai (India – 135 people), Mexico City (Mexico – 90 people) and Shanghai (China – 120 people). The low-end lines of clothing are produced in Mumbai and Mexico City while the high-end lines of clothing are produced in Montréal and Shanghai.

Design Department: 35 employees

The primary function of the Design Department is to design new clothes to adapt to the various markets and latest fashion trends. This department recently purchased high-end desktops and color laser printers for their graphics design, and deployed these themselves.

Information Technology (IT) Department:

This department handles all of the IT functions. The Manager of the IT Department reports to the CIO, the Division Head of the Retail Division. Currently there are 5 groups in the IT Department, namely Point-of-Sale Support (POS), Network Support, Desktop and Peripheral Support, Mainframe Application Development, and Mainframe Support. The CIO’s vision for IT within CMJ is outlined in a memo to all IT staff at the end of this Case Study. See below for more information.

General

All manufacturing equipment is maintained by trained internal staff at each regional manufacturing plant. A third party supplier provides additional support and training. Since they are not IT related, there is no interface to the IT Department. All manufacturing equipment is outside the scope of responsibilities of IT.

In 1999, CMJ upgraded all of its servers, desktops and printers. Three separate vendors were selected; one for the servers, one for the desktops and a third for the printers. All non Y2K compliant hardware, software, applications and operating systems were replaced to ensure Y2K compliance. A complete inventory of all IT components was taken at the end of 1999 but has since fallen into disuse. Since then, some newer hardware and the latest versions of applications and software were installed. Hardware from many different manufacturers was selected.

Appendix A588.1

Exam
Copyright

IT Service Management (based on ITIL®)
EXIN

Information systems used at CMJ

Hardware

Head Office

The Head Office uses an IBM OS/390 series computer as its central computer. The mainframe has approximately 4 terabytes of disk storage. In addition to the production mainframe there is also a test mainframe for software suppliers and IT personnel. The test mainframe is the same as the production mainframe but with only 2 terabytes of data storage.

There are also 2 tape silos for data storage. Over the last six months there have been many failures on the robotic arm on one of them. This has, so far, not impacted the business directly.

The mainframe has a proven and regularly tested disaster recovery plan by using third party facilities and sites.

Manufacturing plants:

Montréal

Montréal has 4 application servers, 3 file servers and 2 print servers. Each server has 1 GB of RAM and 1.5 terabyte of storage capacity.

Shanghai

Shanghai has 3 application servers, 2 file servers and a print server. Each server has 1 GB of RAM and 1.5 terabyte of storage capacity.

Mexico City

Like Shanghai, Mexico City has 3 application servers, 2 file servers and a print server. Each server has 1 GB of RAM and 1.5 terabyte of storage capacity.

Mumbai

Mumbai has 2 application servers, one file server and no print server. Each server has 1GB of RAM but only 650 GB of storage capacity. This plant is scheduled to undergo a major expansion and renovation in the next quarter to double its capacity.

Retail locations

All retail locations are set up identically. Each has 3 Point-of-Sale registers connected to a store server. The back office has one desktop and one inkjet printer. The sales data in the Point of Sale in Stores System (POSISS) on each of the in-store servers is polled nightly via the mainframe before being sent to the Financial Information Management System (FIMS) and Store Inventory Management System (SIMS) at Head Office for processing. A sales report is then manually e-mailed to all relevant department heads. All retail locations are configured the same way in terms of the Point-of-Sale equipment; they all have the same number and type of hardware, software and documentation.

Appendix A588.1

Exam
Copyright

IT Service Management (based on ITIL®)
EXIN

Wide Area Network

The four manufacturing plants are connected to one another and to the Head Office by dedicated leased lines provided by local telephone suppliers. There are many instances of loss of communication between the various regions and the Head Office.

Web sites

All hosting activities regarding CMJ's web sites (internet and intranet) have been contracted out to a third party. All hardware and software is hosted at the vendor's site where it is only one of many web sites hosted by this vendor. The design, maintenance, and support of web pages are the responsibility of the owners of each page.

The main IT Services

Production Inventory Management System - PIMS

PIMS is an inventory system used mainly by members of the Manufacturing Division to support logistics and stock control of raw materials. It was written in-house and runs on the mainframe. It is available and supported 24 hours per day and is considered to be a critical part of the manufacturing process. The system frequently fails and requires support.

Point of Sale In Stores System - POSISS

This is a business critical IT Service. It is UNIX based and uses client / server architecture, with POS Terminals (cash registers, tills), scanners, and a Token Ring Network Topology to link and connect all POS equipment within each retail location.

The local servers link up each night over the Wide Area Network (WAN) connections to the main Data Center for an upload of sales and stock figures and a download of revised prices and special offers.

Distribution and Transport - DATMS

This is another business critical service that runs on the mainframe and controls all aspects of automated stacking, picking, loading and distribution of CMJ goods from the manufacturing plants.

Store Inventory Management System - SIMS

SIMS is an inventory system used mainly by members of the Retail Division to support logistics and stock control of retail locations. It is based on PIMS, was written in-house, and runs on the mainframe. It is available and supported 24 hours per day and is considered to be a critical part of the retail process. The SIMS system frequently fails and requires a lot of support.

Point of Sale Price Management System - POSPMS

This is an in-house developed system running on the mainframe. It is used by the marketing and sales departments to input new sales prices for the retail locations. Nightly price update files are downloaded to all retail locations for price adjustments, sale events and special promotions. Each retail location receives its own dedicated file every day.

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

Financial Information Management System - FIMS

FIMS is a corporate finance and accounting system which was purchased from a third party vendor in the mid 1990's. It runs on mainframe in the Head Office and servers (located at all retail locations and plants around the world) and is used for budgeting, management accounting, purchase ledger, sales ledger, ordering, invoicing, and payment. It interfaces closely with the PIMS and SIMS. FIMS is used by both the Finance Department and managers across the company. The system is available around the clock.

Human Resources Management System - HRMS

HRMS is a corporate human resources management system which was purchased from a third party vendor in the mid 1990's. It runs on servers (located in all offices and plants around the world) and is used by all human resources employees.

Office Systems

CMJ introduced a standard office system based on a [Desktop Office Suite] a few years ago. This has proven to simplify support and enable better communication across the company. This system is available in all languages: English, French, Spanish, Chinese, Hindi, etc.

For second level support CMJ has contracts with many hardware support companies around the world for its server, desktop and peripheral support. Second line network and telecommunications support is provided via a contract with many global telecommunications service providers.

Additional Desktop Applications

A number of additional packages and in-house developed systems are used throughout the business. These have been developed on all sorts of PC software applications including many individual and shared database systems. The variety and diversity of these systems has caused support issues in the past.

The IT Organization

The IT organization used to report to the Finance and Accounting Department until the creation of the Retail Division. The move was unpopular with most of the existing IT staff. The mainframe environment had been working smoothly for nearly two decades without any major outages. Since the advent of the Retail Division, there has been an uneasy tension between the "old guard" and the staff in the newer Point-of-Sale (POS) group. Whereas the mainframe environment is stable and all procedures well documented, the same can not be said of the POS group where chaos reigns supreme and long hours are the norm.

Appendix A588.1

Exam **IT Service Management (based on ITIL®)**
Copyright EXIN

Point-of-Sale (POS) Support: 10 employees

This group supports all of the in-store IT related equipment, including Point-of-Sale, desktops, printers, and communications. They work very closely and in harmony with Store Operations. However, there is often duplication of effort and tension between this group and all other groups within the IT department. Three POS analysts are dedicated to answering all calls from the various outlets. A second level on-call support analyst is available during off-hours (based on Head Office time zone). This group performs testing of all new software versions and equipment as well as working closely with the various vendors during deployments. Many issues that should be handled by other IT groups are actually addressed first by the POS group as they consider everything that is store related to be within their scope. This is a “loose cannon” group. They try to do everything. They are undisciplined, thrive on chaos and overtime, and they firmly believe that what they do and how they do it is the best way.

The vendor of the POS system is responsible for providing second level hardware support and maintenance to the equipment at all retail locations as well as software development and maintenance.

Network Support: 6 employees

This group provides design, deployment and support of the Local Area Networks (LANs) within the manufacturing plants and at Head Office. It also coordinates all activities with the communication providers, from proposal to contract negotiation to escalation in support of the Wide Area Network (WAN). The support is provided around the clock. A second level on-call support analyst is available during off-hours (based on Head Office time zone). First level is handled by the mainframe support group during evenings and week-ends. They work and collaborate closely with the mainframe group.

Server, Desktop and Peripheral Support: 12 employees

This group handles the deployment and support of all servers, desktops, laptops and peripherals, including mobiles, personal digital assistants (PDAs) and printers. A shift rotation allows this group to provide 24 x 7 support for the entire organization, with the exception of the retail outlets. They deal with everything the other groups don't handle. A third party vendor provides second level support for computer equipment in the manufacturing plants.

Mainframe Application Development: 6 employees

This group develops either new mainframe applications or enhancements to existing mainframe applications. The requests are received directly, as they have been for the last two decades, from the various business groups. Requests are implemented whenever required by the requestor. Testing is performed diligently by both the users and Mainframe Support. Regular project meetings are held to address issues and identify potential conflicts between various requests. This group is a bit of an outsider as they do what they need to do when they need to do it.

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

Mainframe Support: 20 employees

This group provides mainframe support as well as acting as first line network support during off-hours. This group is responsible for scheduling all batch, print and back-up jobs, and for resolving any problems. This group is also involved in the testing of new mainframe applications and enhancements to ensure there are no conflicts between other various mainframe applications and batch jobs for update, print and back-up. This group is on-site 24 x 7 including holidays. This group has a lot of good procedures and documentation but since they have been around for a long time with no major issues arising they have become complacent. There is also resentment that they are relegated to the retail division.

Summary of present issues

The Board of Directors at CMJ has realized that it needs to increase CMJ's presence in the United States and in Europe. The major retailers are pressuring CMJ to modify its service provision and to adopt a "Just-in-Time" approach.

The current Point-of-Sale equipment at the retail outlets can only handle dial-up for credit and debit transactions. In today's competitive retail environment, retailers have to provide many various means of payment and the ability to collect points in a chosen loyalty program. In addition, there is a resurgence of smart cards making a come back. The Board of Directors, in keeping with the idea of "Just-in-Time", would like the ability to view "real time" sales figures from all over the world. A request for proposals (RFP) has recently been initiated.

The success of most retail locations in the United States and in Europe also means that more outlets will be open in those regions. In the United States brand new outlets will be open, while in Europe, a joint venture with an existing organization is likely to be considered. CMJ also wants to increase the visibility of its high-end clothing line logo by promoting various high visibility events such as car racing, movie festivals and music concerts.

A recent customer market research has shown that most of CMJ's retail shoppers are between the ages of 12 – 30 and that over 85% of them have high speed Internet access. CMJ wants to capitalize on this finding. Although CMJ has a website already, it is quite static. Customers want more functionalities and a dynamic and fun on-line shopping experience.

A recent employee satisfaction survey among IT staff has revealed that the objectives, which were set two years ago for the newly formed IT Department, have not been met (see memo).

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

Corporate Objectives

- Set up two new manufacturing plants, one in the United States (US) and one in Eastern Europe. Analysis has shown that setting up these two manufacturing plants would help offset the current high distribution costs in those areas and help in meeting the “Just-in-Time” requirements of the major retailers.
- Replace all current Point-of-Sale equipment, registers, in-store servers and communication equipment with new ones to allow for real-time sales reporting.
- Set up 20 new retail outlets in the United States and 15 new retail outlets in Eastern Europe.
- A marketing and advertising campaign to promote higher brand visibility was secretly started a few months back. The launch date is fast approaching. All agreements with the external organizations are in place. The communication of this project to the internal staff (Head Office and retail outlet staff) must include a strict confidentiality clause. There is still a lot of secrecy around this project. Information will be provided on a per need basis only.
- Redesign and upgrade the company’s website to allow for a more interactive shopping catalogue, on-line sale transactions, streaming videos for fashion shows, and to allow the customers the ability to sign-up for a virtual fashion advisor.
- Make use of local third party vendors and partners to assist in the realization of its ambitious objectives because of its geographical dispersion; CMJ has realized that it will need to call upon many third party vendors, both global and local.

Appendix A588.1

Exam
Copyright

IT Service Management (based on ITIL®)
EXIN

Memo

To: All IT Staff
From: Head of the Retail Division – Chief Information Officer (CIO)
Subject: My vision for IT

For internal use only – **NOT** to be distributed or communicated outside

Ladies and Gentlemen,

I would like to take this opportunity to introduce my vision for IT for the next few years and to re-explain the Board decision to consolidate all IT functions within CMJ to the Retail Division.

Since my arrival here two years ago, in the dual role of Head of the Retail Division and CIO, many changes have happened within our company. The most significant change affecting you has been the consolidation of all IT operations within one department. Although this move was not very well received by many of you, it was necessary for the good of CMJ as a whole. Here are some of the reasons:

- Synergy and greater cooperation required among all IT functions
- Increased communication required among all IT functions
- Increased understanding of business requirements needed by all IT staff

Up until now, I have concentrated mostly on ensuring that the retail side of the division was under good control and direction. Measures have been put in place in this regard. All retail job functions were evaluated and were redesigned where necessary, including pay scales. Authority and empowerment were delegated where required. Since there were few issues to be addressed, this transition was relatively smooth. I would like to express my thanks to the HR Department and to all employees affected.

I can now focus my energies on the IT group. When I arrived two years ago, there were two IT groups; one reporting to the CFO and one to the previous Vice-President of Retail. The situation was chaotic to say the least. There was no communication between the groups, and an elitist attitude and the blame game were the norm. I thought that bringing all of you under the same roof would bring an end to this.

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

What a shock for the Board when the report from the recent employee satisfaction survey came back to inform that this was not the case. Essentially the report brings to the forefront the following issues:

- There are too many delays in bringing new applications to production
- There are major cost overruns in the deployment of new hardware or in the opening of new stores
- Calls to the various support teams are left unanswered
- End-users are being referred to the wrong support teams
- Support teams blame each other in front of end-users
- Reports produced are meaningless if they are produced at all
- Maintenance and upgrades are being done on production systems during business hours

The Board views this as unacceptable and will be implementing changes to ensure this does not continue.

On the direction of the Board of Directors, I have been tasked to bring cohesion within IT. As you know, all of our corporate objectives have been communicated and explained to all of you over the last few months. In order to achieve them to ensure the continued success and viability of our company, it has been decided to use a process-oriented approach that will remove the silo culture currently in place within IT.

Over the next few weeks, many of you will take part in an assessment by an external IT consulting firm to determine the current situation within IT. This assessment is NOT to determine what we do wrong nor is it a finger pointing exercise. It is to determine what we are doing right and how to leverage it across the IT organization. The report will provide us with recommendations on how to proceed in improving our IT processes.

An e-mail explaining how the assessment will take place and what is expected from the participants will be sent to you soon.

We are all busy and CMJ has an aggressive plan for the upcoming few years. IT has to step up to the forefront. We (IT) have to improve our ability to deliver quality products and services or someone else will do it.

I would also like to inform you that a Request for Information (RFI) has been sent to the major vendors of Enterprise Resource Planning (ERP). This new exciting project is scheduled to start within the next six months. It will be a long and complex project involving many of you for quite a long period.

Although some of you may think that implementing a technical solution will resolve everything, technology is not the solution nor is it the cause of our problem. Our way of doing business is our problem. IT does not think like a business unit nor are we talking in a language that the business understands.

Appendix A588.1

Exam IT Service Management (based on ITIL®)
Copyright EXIN

My approach is simple and only contains four items; Process, People, Technology and Discipline.

- We are going to use processes that meet business requirements.
- We are going to align the people with the right skills and knowledge to the right job to execute the processes.
- We are going to deploy the right technology to help support our processes and our people.
- We are going to be disciplined in following the processes and make sure that we develop and nurture a service culture within IT.

Further information on this endeavor will be communicated to you shortly.

Thank you for your time,

CIO