



## ITIL® 4 FOUNDATION STUDY NOTES

Pass your ITIL exam with these comprehensive study notes and exam tips.

Version 2.0

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## Read Me

If you're reading this, you've stumbled upon the best study notes you'll find for ITIL 4. Our students have had great success with our online course using these notes. Still not convinced that these notes are awesome?

Here's how to use the notes:

Order in which you should review the study materials:

- a. Exam Tips
  - b. Topic 1 – Introduction
  - c. Topic 2 – Understanding the Key Concepts of Service Management
  - d. Topic 3 – ITIL Guiding Principles
  - e. Topic 4 – The Four Dimensions of Service Management
  - f. Topic 5 – Purpose and Components of the ITIL Service Value System
  - g. Topic 6 – Activities of the Service Value Chain
  - h. Topic 7 – ITIL Practices
  - i. Topic 8 – Recap and Exam Practice
1. The first page of every note contains a list of constructs (processes / functions / etc.) that may be tested on. If you can go through the first page of every topic and answer/define/understand the constructs without looking at the answers listed on the subsequent pages, you're ready to move onto the next topic.
  2. While these notes are close to a complete study guide, keep in mind that getting answers wrong on the practice tests is an invaluable exercise which will help you determine the constructs you still need to decipher. For example, I thought I knew what a "workaround" was, but I had to get it wrong on the practice exam to recognize I needed to understand/memorize ITIL's definition.

Best of luck! And hey, if you need help, don't hesitate to contact us [info@thoughtrock.com](mailto:info@thoughtrock.com) regardless of whether you're taking the course through us. We'll help!

Your study partner, **Thought Rock**

Visit <https://www.thoughtrock.com/> for more details.

## Quick Exam Tips

Prepping for the ITIL 4 Foundation Exam? Here are some key points to keep in mind:

1. Memorize your definitions. The questions on the exam will provide 2 out of 4 answers that make sense and are very similar when referring to a term, and so if you don't have the term memorized, you'll be stuck. Trust us; definition questions on the exam will be just like this.
2. Understanding the interrelationships, jurisdictions, and subtle differences between the terms, systems, and practices is just as important as understanding the constructs themselves. For example:
  - What is the difference between an organization provisioning services compared to an organization receiving services?
  - Which value chain activity includes negotiation of contracts and agreements with suppliers and partners?
  - What is the difference between output and outcome?
  - Understand the service relationship model.
  - Why are utility and warranty essential for a service to facilitate a desired outcome?
  - What are the complex relationships between service providers, consumers and stakeholders?
  - What is the difference between organizational agility and organizational resilience?
  - Describe the purpose of each service value chain activity.
  - Understand the purpose of 15 ITIL practices and how an organization uses these to perform work or accomplish an objective.

## Topic 1: Introduction

### Outline

- **About This Training**
  - Acknowledgements
  - Who Should Take This Training
  - Purpose of the ITIL 4 Training
  - About the ITIL Story
  - IT Service Management in the Modern World
  - How Organizations Are Transforming
- **About ITIL 4**
  - Overview
  - Structure and Benefits of ITIL 4
  - Service Value System (SVS)
  - Core Components of SVS
  - Four Dimensions of Service Management

### What You Need to Know

This course is divided into topics. Each topic has objectives, content, and a quiz. This first topic provides an overview of ITIL 4 and ITSM. Take a minute to read what you need to know.

By the end of this topic, you will be able to:

- Understand the purpose of this training and who should take this training
- Understand IT Service Management in the modern world and how organizations are transforming
- Understand the structure and benefits of ITIL 4
- Understand the Service Value System (SVS)
- Understand the core components of SVS
- Understand the four dimensions of Service Management

## Concepts Covered

Take some time to review the concepts covered in this topic.

Key Concept	Main Points
Purpose of ITIL 4 Foundation	The purpose of this training is to introduce learners to the management of modern IT-enabled services.
Technology development	Some of these developments include: <ul style="list-style-type: none"> <li>• Cloud computing</li> <li>• Infrastructure as a service</li> <li>• Machine learning</li> <li>• Block chain</li> </ul>
ITIL 4 framework	Consists of the following key concepts: <ul style="list-style-type: none"> <li>• Service Value System (SVS)</li> <li>• Four Dimensions Model</li> </ul>
Core components of SVS	The core components of the ITIL SVS are: <ul style="list-style-type: none"> <li>• ITIL service value chain</li> <li>• ITIL practices</li> <li>• ITIL guiding principles</li> <li>• Governance</li> <li>• Continual improvement</li> </ul>
Four dimensions of service management	The four dimensions are: <ol style="list-style-type: none"> <li>1. Organizations and people</li> <li>2. Information and technology</li> <li>3. Partners and suppliers</li> <li>4. Value streams and processes</li> </ol>

## Exam Recap Summary

- Understand the purpose of this training and who should take this training
- Understand IT Service Management in the modern world and how organizations are transforming
- Understand the structure and benefits of ITIL 4
- Understand the Service Value System (SVS)
- Understand the core components of SVS
- Understand the four dimensions of Service Management

## Topic 2: Understanding the Key Concepts of Service Management

### Outline

- **What You Need to Know**
- **Key Terms**
- **Lesson Content**
  - Introduction
  - Value and Value Co-creation
  - Organizations, Service Providers, Service Consumers and Other Stakeholders
  - Products and Services
  - Service Relationships
  - Value: Outcomes, Cost and Risks
  - Summary
- **Check Your Understanding**

### What You Need to Know

This topic provides an understanding of the key concepts of service management. Take a minute to read what you need to know.

By the end of this topic, you should be able to:

1. Recall the following definitions:
  - Service
  - Utility
  - Warranty
  - Customer
  - User
  - Sponsor
  - Service Management
2. Describe the key concepts of creating value with services:
  - Cost
  - Value
  - Organization
  - Outcome
  - Output
  - Risk



- Utility
  - Warranty
3. Describe the key concepts of service relationships:
- Service offering
  - Service relationship management
  - Service provision
  - Service consumption

## Key Terms

Take some time to review the key terms covered in this topic.

Key Term	Definition
<b>Business Relationship Manager (BRM)</b>	A role responsible for maintaining good relationships with one or more customers.
<b>Cost</b>	The amount of money spent on a specific activity or resource.
<b>Customer</b>	A person who defines the requirements for a service and takes responsibility for the outcomes of service consumption.
<b>Organization</b>	A person or a group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives. Organizations vary in size and complexity, and in their relation to legal entities, from a single person or a team, to a complex network of legal entities united by common objectives, relationships and authorities.
<b>Outcome</b>	A result for a stakeholder enabled by one or more outputs.
<b>Output</b>	A tangible or intangible deliverable of an activity.
<b>Product</b>	A configuration of an organization's resources designed to offer value for a consumer.
<b>Risk</b>	A possible event that could cause harm or loss, or make it more difficult to achieve objectives. Risk can also be defined as uncertainty of outcome, and can be used in the context of measuring the probability of positive outcomes as well as negative outcomes.
<b>Service</b>	A means of enabling value co-creation by facilitating outcomes that customers want to achieve, without the customer having to manage specific costs and risks.
<b>Service Consumption</b>	Activities performed by an organization to consume services. It includes the management of the consumer's resources needed to use the service, service actions performed by users, and the receiving (acquiring) of goods (if required).

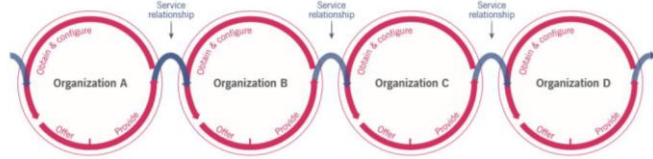
<b>Service Management</b>	A set of specialized organizational capabilities for enabling value for customers in the form of services.
<b>Service Offering</b>	A description of one or more services, designed to address the needs of a target consumer group. A service offering may include goods, access to resources, and service actions.
<b>Service Provision</b>	Activities performed by an organization to provide services. Includes: management of the provider's resources, configured to deliver the service, access to these resources for users, fulfilment of the agreed service actions, service performance management and continual improvement. It may also include the supply of goods.
<b>Service Relationship Management</b>	Joint activities performed by a service provider and a service consumer to ensure continual value co-creation based on agreed and available service offerings.
<b>Sponsor</b>	A person who authorizes budget for service consumption.
<b>User</b>	A person who uses services.
<b>Utility</b>	The functionality offered by a product or service to meet a particular need.
<b>Value</b>	The perceived benefits, usefulness and importance of something.
<b>Warranty</b>	Assurance that a product or service will meet agreed requirements.

### Concepts Covered

Take some time to review the concepts covered in this topic.

Key Concept	Main Points
Important concepts of service management	The most important concepts of service management, include: <ul style="list-style-type: none"> <li>the nature of value and value co-creation</li> <li>organizations, service providers, service consumers and other stakeholders</li> <li>products and services</li> <li>service relationships</li> <li>value: outcomes, costs and risks</li> </ul>
What is Service Management?	<b>Service Management</b> is a set of specialized organizational capabilities for enabling value for customers in the form of services.
Value	Is a key focus of ITIL 4:  <b>Value</b> is the perceived benefits, usefulness and importance of something.

Value co-creation	<b>Value</b> is <b>co-created</b> through an active collaboration between providers and consumers, as well as other organizations that are part of the relevant service relationships.
What is an organization?	An <b>organization</b> is A person or a group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives.
Roles of organizations	Organization provisions service then role is a service provider.  Organization receiving services then role is a service consumer.
Roles of service consumer	<b>Customer</b> – A person who defines the requirements for a service and takes responsibility for the outcomes of service consumption.  <b>Sponsor</b> – A person who authorizes budget for service consumption.  <b>User</b> - A person who uses services
Other stakeholders	There are usually many other stakeholders that are important to value creation. Examples of these include: <ul style="list-style-type: none"> <li>• individual employees of the provider organization</li> <li>• partners and suppliers</li> <li>• investors and shareholders</li> <li>• government organizations such as regulators, social groups, etc.</li> </ul>
Central component of service management	<b>Service</b> - A means of enabling value co-creation by facilitating outcomes that customers want to achieve, without the customer having to manage specific costs and risks.
How products offer value	<b>Products</b> - A configuration of an organization’s resources designed to offer value for a consumer.  <b>Remember:</b> A product is <b>NOT</b> exclusive to one consumer group, and can be used to address the needs of several different groups. Products are typically complex and are not fully visible to the consumer.
Different types of service offerings	<b>Service offering</b> - A description of one or more services, designed to address the needs of a target consumer group. A service offering may include: <ul style="list-style-type: none"> <li>• GOODS</li> <li>• ACCESS TO RESOURCES</li> <li>• SERVICE ACTIONS</li> </ul>
What is the difference between a product and a service?	Organizations will have their own definitions for product and service terms. The important thing is to adopt a language that will allow the members of the organization to talk together effectively and deliver objectives. The full value

	chain must be considered, from the ideation and design of a resource configuration, to cooperation with consumers and value realization.
Service relationship	<b>Service relationship</b> - A co-operation between a service provider and service consumer. Service relationships include service provision, service consumption and service relationship management.
Service Relationship Model	<p><b>The Service Relationship Model</b></p>  <p>Copyright © AXELOS Limited 2018 Reproduced under licence from AXELOS Limited. All rights reserved.</p>
Outputs and outcomes	Acting as a service provider, an organization produces <i>outputs</i> that help its consumers to achieve certain <i>outcomes</i> . It is important to be clear about the difference between outputs and outcomes.
Two types of cost in service relationship	<p><b>Type #1 - Costs removed from the consumer by the service</b> (a part of the value proposition). This may include costs of staff, technology and other resources, which the consumer does not need to provide.</p> <p><b>Type #2 - Costs imposed on the consumer by the service</b> (the costs of service consumption). The total cost of consuming a service includes the price charged by the service provider (if applicable), plus other costs such as staff training, costs of network utilization, procurement, etc. Some consumers describe this as what they have to 'invest' to consume the service.</p>
Two types of risk for a service consumer	<p><b>Type #1 - Risks removed from a consumer by the service (part of the value proposition).</b> These may include failure of the consumer's server hardware or lack of staff availability. In some cases, a service may only reduce a consumer's risks, but the consumer may determine that this reduction is sufficient to support the value proposition.</p> <p><b>Type #2 - Risks imposed on a consumer by the service</b> (risks of service consumption). An example of this would be a service provider ceasing trading or experiencing a security breach.</p>
Difference between Utility and Warranty	<p><b>Utility</b> - Summarized as '<b>what the service does</b>' and can be used to determine whether a service is 'fit for purpose'. To have utility, a service must either support the performance of the consumer or remove constraints from the consumer. Many services do both.</p> <p><b>Warranty</b> Summarized as '<b>how the service performs</b>' and can be used to determine whether a service is 'fit for use'. Warranty often relates to service levels aligned</p>

	with the needs of service consumers. This may be based on a formal agreement, or it may be a marketing message or brand image.
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### Exam Recap Summary

- Recall the following definitions
- Describe the key concepts of creating value with services
- Describe the key concepts of service relationships

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