

COURSE BOOK

ITIL[®] FOUNDATION

The central graphic features the text "ITIL[®] 4" in a bold, white, sans-serif font. This text is centered within a series of concentric white circles. The background is a solid purple color with a subtle pattern of thin white lines radiating from the center. At the bottom of the graphic, there is a horizontal row of seven circular icons: a classical building, a gear, two speech bubbles, a money bag with a dollar sign, a Wi-Fi signal, a shield, and a computer monitor.

ITIL[®] 4

ITIL[®] FOUNDATION

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Acknowledgements

We would like to sincerely thank the experts who have contributed to the design and development of the ITIL® Foundation course.

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As an IT Service Management trainer, consultant and line manager with over 25 years of experience in IT, Marcel has performed strategic and tactical assignments in a wide variety of areas. His experience includes project and program management including process design, product management, requirements analysis and training delivery related to the IT Service Management international best practice, in both the private and public sectors on a global scale. His area of consulting expertise is in advising organizations on IT Service Management, based on ITIL best practices, and in the management of these initiatives to improve organizational and operational efficiencies and service delivery quality. He also excels as an experienced facilitator, trainer and lecturer.

For the ITIL 4 update, Marcel has been part of the ITIL 4 Lead Architect Team at AXELOS. Through his association with AXELOS, Marcel comprehends the background, the architecture, and the underlying reasons of the ITIL 4 update.

For the ITIL® (4) Foundation course, Marcel participated as a Lead Author in the design, development, and review of core course components and additional learning material.

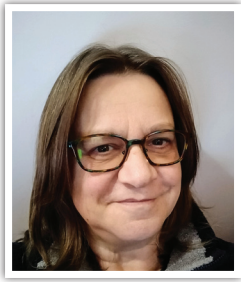


Simone Jo Moore

Simone is recognized as a leading industry thought leader and is known as a “Service Management Mixologist” probing the hearts and minds of what makes business and IT tick to jumpstart people’s thinking to evolve behavior and actions at any level. People connected, knowledge shared, possibilities discovered, and potential realized are the active values that Simone uses to help organizations build a resilient foundation for their ongoing transformation and digital journey.

Simone is a contributing author to VeriSM Unwrapped and Applied, is a senior consultant, master trainer, author, podcast co-host, and mentor in various frameworks such as BRM, ITIL, KCS, DevOps, and SFIA. Simone is a HDI Faculty member and on the International Certification Standards Committee (ICSC) as well as an ICMI Senior Contact Centre Manager.

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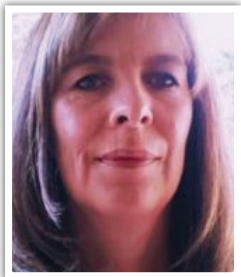
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Helen provides quality training and consultancy to organizations, assisting with delivery of IT service management.

Helen Morris has over 25 years of experience in service management including operational management of services in a variety of industry sectors. She holds the ITIL® Expert qualification and is an experienced trainer for ITIL Foundation and ITIL Intermediate training. She has coauthored a number of study guide publications and distance-learning courses covering the service management qualifications.

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Madeleine Du Toit

Madeleine du Toit has been an active member of the IT Service Management community for over 20 years, of which 15 years are focused on training and consulting different elements of the ITIL framework. She has been part of and led several implementation projects within the IT Service Management framework, with a key focus on practical governance for maximum benefit. Madeleine is an accredited trainer for all products within the ITIL v3 certification scheme, she has assisted many thousands of people in getting their ITIL Foundation and ITIL Expert accreditations.

For ITIL® (4) Foundation course, Madeleine participated as a co-author in the design and development of core course components and additional learning material.

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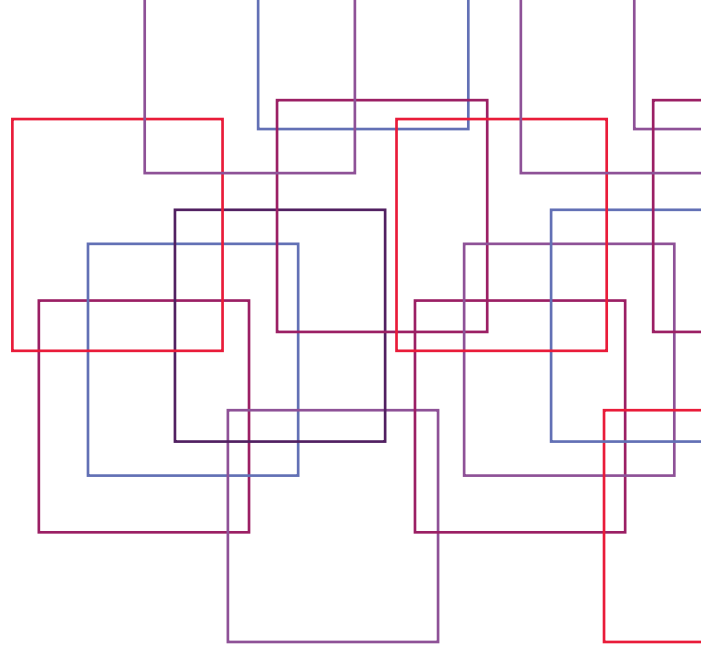
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1



COURSE INTRODUCTION

Let's Get to Know Each Other

Introduce yourself in the following format:

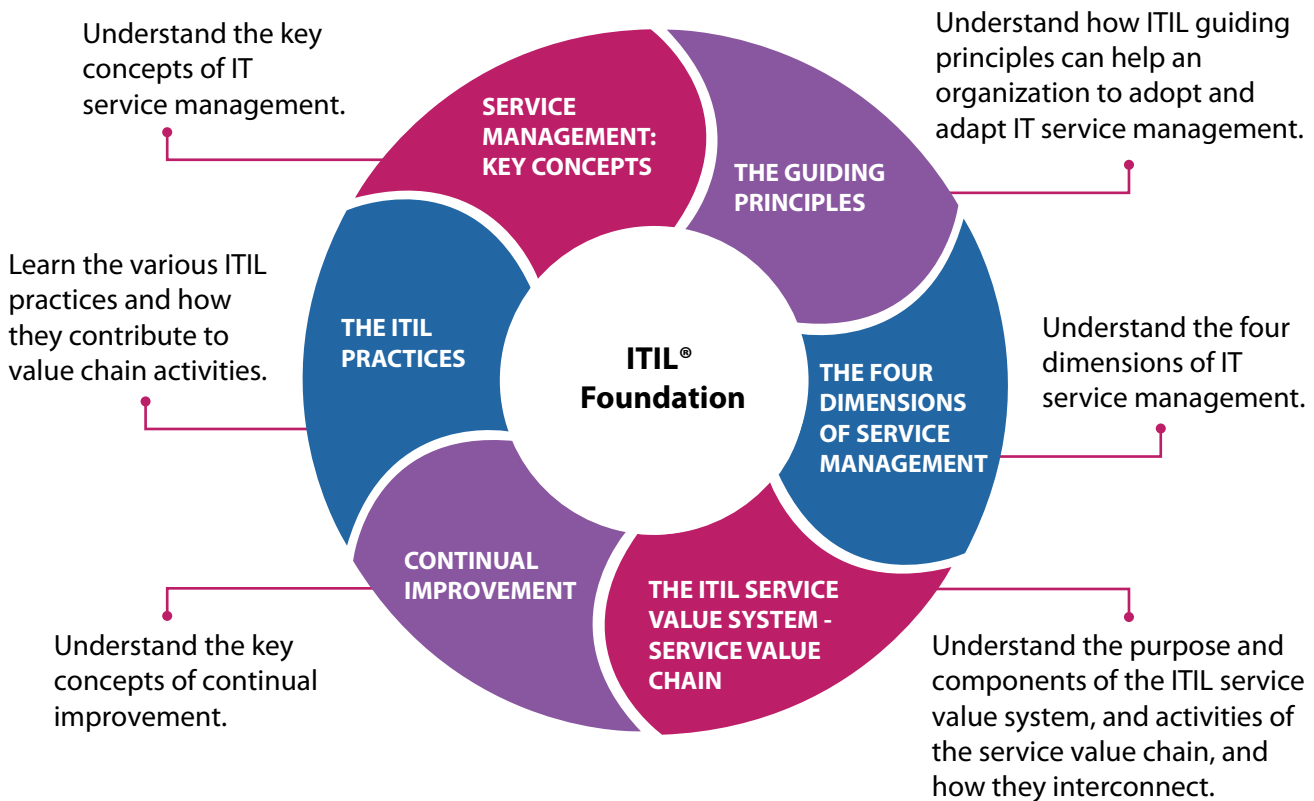
- Name
- Company
- Role and background
- Familiarity with ITIL 4 core concepts and their practice
- Experience in application development, infrastructure development, and/or operations
- Expectations from this course

Course Overview

This 2-day course provides learners an extensive introduction to the core concepts of ITIL 4. With the help of ITIL 4 concepts and terminology, group discussions, case study-based activities, and examples included in the course, you will acquire the ITIL 4 Foundation certification from the accredited training organization.

This course is designed to provide learners an extensive understanding of the ITIL 4 principles and to show how they can improve their work and the work of their organization as a whole with the ITIL 4 guidance. The course will inspire you to serve as a change champion by sharing and using what you have learned, and continue to learn, about ITIL 4 to lead and mentor others.

Course Learning Objectives



At the end of the course, you will be able to:

- Understand the key concepts of ITIL service management.
- Understand how ITIL guiding principles can help an organization to adopt and adapt ITIL service management.
- Understand the four dimensions of ITIL service management.
- Understand the purpose and components of the ITIL service value system, and activities of the service value chain, and how they interconnect.
- Understand the key concepts of continual improvement.
- Learn the various ITIL practices and how they contribute to value chain activities.

Course Structure



Course Modules



Videos



Case Study

Case Study
Discussions and
ActivitiesExam
InformationAdditional
Components

Course Agenda

	Module	Subject	Start	End	Total Time (In hours)
Day 1	01	Introduction and Recap of ITIL 4 based on pre-reading	09:00	10:00	00:60
	02	Service Management: Key Concepts - Part 1	10:00	10:30	00:30
		<i>Morning Tea</i>	<i>10:30</i>	<i>10:45</i>	<i>00:15</i>
	02	Service Management: Key Concepts - Part 2	10:45	11:45	00:60
	03	The Guiding Principles - Part 1	11:45	12:45	00:60
		<i>Lunch</i>	<i>12:45</i>	<i>13:35</i>	<i>00:50</i>
	03	The Guiding Principles - Part 2	13:35	14:15	00:40
	04	The Four Dimensions of Service Management	14:15	15:10	00:55
		<i>Afternoon Tea</i>	<i>15:10</i>	<i>15:25</i>	<i>00:15</i>
	05	The Service Value System and Service Value Chain	15:25	16:40	00:75
		Questions / Debrief Day 1 / Homework	16:40	17:00	00:20
		Total (Less Lunch and Tea)			06:40
		Total			08:00

	Module	Subject	Start	End	Total Time (In hours)
Day 2		Review of Day 1 / Homework	09:00	09:30	00:30
	05	The ITIL Service Value System and Service Value Chain (Contd.)	09:30	10:10	00:40
		<i>Morning Tea</i>	<i>10:10</i>	<i>10:25</i>	<i>00:15</i>
	06	Continual Improvement	10:25	11:00	00:35
	07	The ITIL Practices	11:00	12:10	00:70
		<i>Lunch</i>	<i>12:10</i>	<i>13:00</i>	<i>00:50</i>
	07	The ITIL Practices (Contd.)	13:00	14:30	00:90
		<i>Afternoon Tea</i>	<i>14:30</i>	<i>14:45</i>	<i>00:15</i>
	07	The ITIL Practices (Contd.)	14:45	16:00	00:75
		Day 2 Wrap up / Exam Preparation Guide/ Mock Exam / Advice	16:00	17:00	00:60
		Total (Less Lunch and Tea)			06:40
		Total			08:00

Note: Exam can be conducted in the class on the third day, or participants can take the exam later through online format.

Introduction to IT Service Management in the Modern World



<https://player.vimeo.com/video/300692621>

Transcript for Video

Hi, my name is Simone Jo Moore. I am one of the authors of this ITIL 4 courseware.

In an ever changing world where manufacturers of the past are becoming service providers of the future. The digital transformation revolution affects all industries and is about more than just technology.

Businesses are rethinking their organizational structures to stay at the top of the game. They are breaking down barriers from the past and building collaborative units that takes them beyond their current way of working.

Technology is advancing faster today than ever before. Developments such as cloud computing, infrastructure as a service, machine learning, and block chain, have opened up fresh opportunities for value creation, and led to IT becoming an important business driver and source of competitive advantage.

With the necessity for an organization to stay current, IT service management is a key strategic capability. ITIL, the most adopted guidance in the world within IT Service management (ITSM), has also evolved.

Remember, ITIL is a framework and as such provides guidance in ITSM. We don't "do" or "implement" ITIL as an objective. There is no "one-size-fits-all" way of working so look to ITIL as a toolbox. ITIL 4 is designed to collaborate with many frameworks and methods in the IT industry, such as Lean, DevOps, Agile and many more.

It is essential you strive to understand the practices across ITSM and not take them out of context but adopt and adapt them to your organization's need.

So, welcome to the ITIL 4 Foundation Course and enjoy this learning experience.

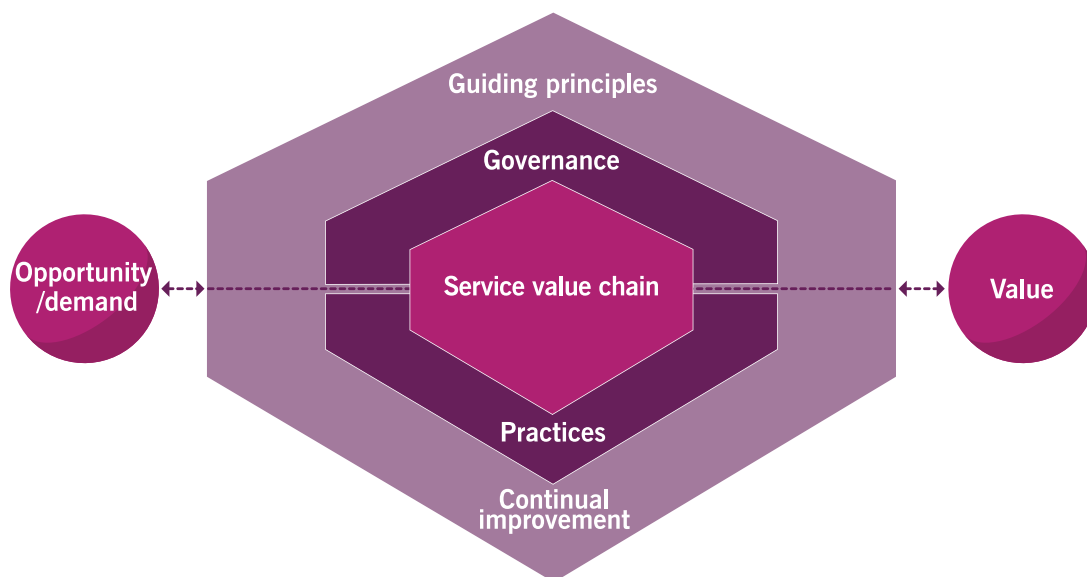
Introduction to ITIL 4

ITIL 4 provides a practical and flexible approach to support various organizations on their journey to the new world of digital transformation.

ITIL 4 provides an end-to-end digital operating model for the delivery and operation of IT-enabled products and services and enables IT teams to continue play an important role in a wider business strategy. ITIL 4 also provides a holistic end-to-end approach that integrates frameworks such as Lean, Agile, and DevOps.

Structure and Benefits of ITIL 4

The following figure shows the structure of the Service Value System.



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The key components of the ITIL 4 framework are the **Service Value System (SVS)** and the **Four Dimensions model**. The SVS represents how the various components and activities of the organization work together to facilitate value creation through IT-enabled services. The SVS facilitates the integration and coordination and provides a strong, unified, value-focused direction for the organization.

To ensure a holistic approach to service management, ITIL 4 defines four dimensions of service management:

- Organizations and people
- Information and technology
- Partners and suppliers
- Value streams and processes

To ensure that SVS remains balanced and effective, it is important to give each of the four dimensions an appropriate amount of focus.

Case Study: Axle Car Hire

Improvements and New Initiatives by Axle Car Hire



This course uses the exploits of a fictional company “Axle Car Hire” to enable a thorough analysis and understanding of the concepts of ITIL 4. Axle Car Hire is transforming to modernize its services and improve its customer satisfaction and retention levels, and is using ITIL 4 to do this. In each module of the course, the employees of Axle will describe how the company is improving its services, and explain how they are using ITIL best practice to do this.

The introduction to the case study is provided in the Course Book.

Case Study: Meet the Key People at Axle

Four key employees of Axle Car Hire



Chief Information Officer (CIO)

Henri Durand



IT Business Analyst

Radhika

Product Manager for travel
experience

Su

IT Delivery Manager

Marco

Case Study: The CIO’s Vision for Axle



<https://player.vimeo.com/video/300717123>

This video is based on the Axle Car Hire case study, sourced from the ITIL® Foundation (ITIL® 4 edition) manuscript by AXELOS.

Henri is the new Chief Information Officer (CIO) of Axle Car Hire and he is planning to adopt ITIL 4 along with the new and improvement initiatives that Axle is considering. Before moving on, let us hear what message is the CIO of Axle conveying to his employees.

Transcript for Video

Good Morning! Thank you very much for joining. I am Henri, your new Chief Information Officer. It is an honor for me to lead and serve this great company of ours and I look forward to working with you all!

We all know that since adapting the ITIL framework to our business, Axle has improved its reputation in the market. But in recent years, we are coming across new challenges, such as the digital revolution and a need for being faster, cheaper, greener and easier. We want to become the market leader and so we're going through a phase of reinventing ourselves by updating our approach through ITIL 4.

It's time for us to consider a few important items that we need to improve and some new ideas to experiment with. One of the items we should consider for improvement is the booking app. Our booking app is out of date and our technology is not keeping pace with changes in our service offerings.

This digital era requires us to do the old things in new ways and find a way to do things we couldn't manage before. The complexity of our systems goes beyond the technology - we must never forget the human side, the people and the practices we use to make things happen.

I think with the adoption of ITIL 4, we learn to have a balanced focus on our technology, people, and practices. And this may also help us to have more inclusive relationships across our enterprise. Most importantly, ITIL 4 enables us to bring what we do into a more encompassing value chain.

We can't predict all the opportunities or changes this will bring to our business, but one thing is clear, we will take our customers and partners with us during this journey and continue to promote creative and innovative services and products for our customers.

Axle is more than just hiring a vehicle. We focus on our customers' whole travel experience and will continue to do so.

Let's look forward for the best results as we start adopting ITIL 4.

Exam Details

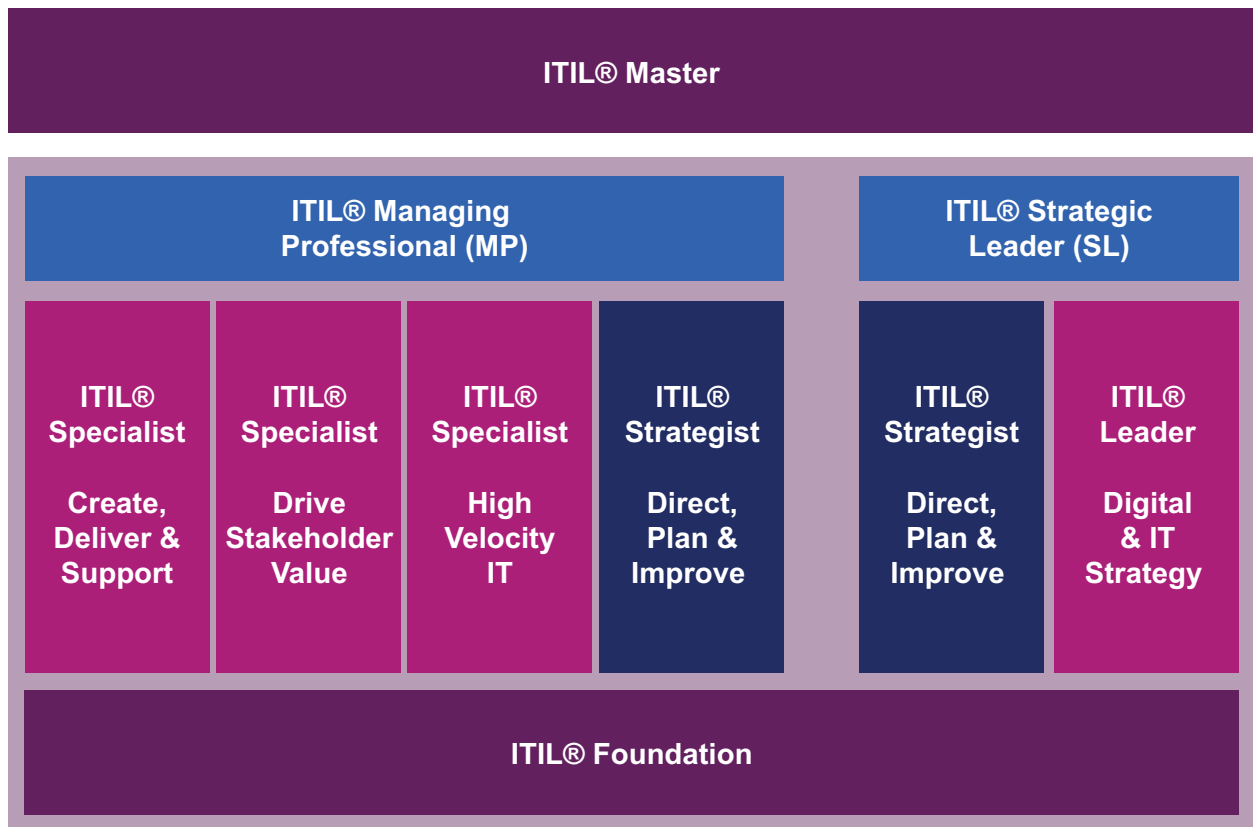
At the end of the course, an exam will be conducted. The exam details are:

- **Bloom Level:** 1 and 2
- **Exam Format:**
 - Close Book format
 - Web-based and paper-based
- **Questions:** 40 Multiple Choice Questions (MCQs)
- **Passing Score:** 65%

- **Exam Duration:**
 - 60 minutes
 - 15 minutes extra for non-native English speakers
- **Proctoring:** Live/Webcam

After completing this training, you will be planning to take the ITIL® Foundation certification exam. To give you an idea about the certification exam, mock exams are included within the course.

ITIL 4 Certification Scheme



The ITIL® (4) Foundation is the entry level certification, offering a general awareness of the key concepts, elements, and terminology of ITIL 4. This certification is targeted at professionals who need a basic understanding of ITIL or who would like to progress to higher levels of the ITIL 4 certification scheme.

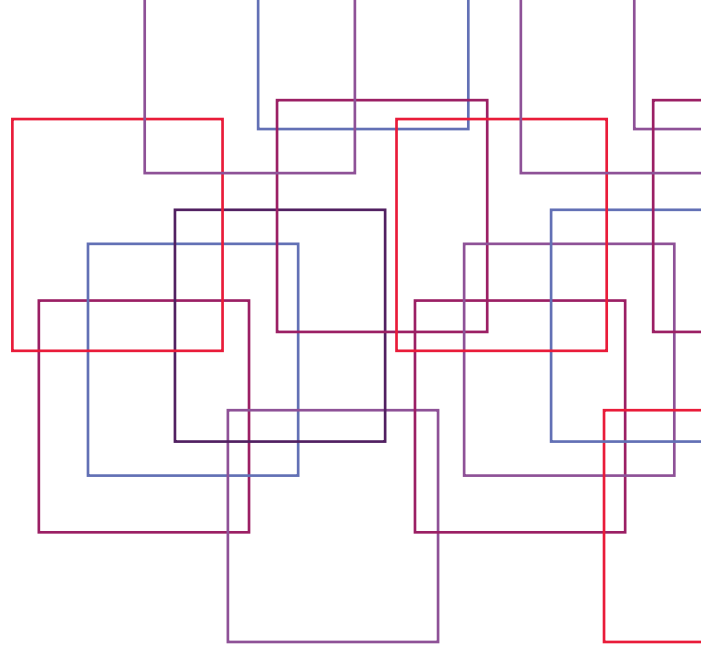
After attaining the ITIL® Foundation certification, a candidate may choose to take the ITIL Managing Professional stream or the ITIL Strategic Leader stream.

The ITIL Managing Professional stream includes four modules. All four modules are valuable independently, but all four modules must be completed to obtain the ITIL® Managing Professional designation. The completion of the ITIL® (4) Foundation is a prerequisite for the ITIL Managing Professional modules.

The ITIL Strategic Leader includes two modules, which are both valuable independently but both must be completed to obtain the ITIL® Strategic Leader designation. The ITIL Strategist Direct, Plan, & Improve module is common to both streams. The ITIL Leader Digital & IT Strategy module requires 3 years of experience (along with the ITIL (4) Foundation certification) as a prerequisite.

If a candidate completes all 5 modules, gaining both designations from the two streams, they will be eligible for assessment to become an ITIL® Master.

2



SERVICE MANAGEMENT: KEY CONCEPTS

Intent and Context

To address the real world challenges of service management and adopt a service management framework, such as ITIL, it is important to understand the key concepts of service management. These key concepts include:

- Organizations, service providers, service consumers and other stakeholders
- Value and value co-creation
- Products and services and
- Service relationships

These are generic concepts of service management and apply to all services and service relationships.

Let us see what the experts say about the key concepts of service management.



<https://player.vimeo.com/video/302760468>

Transcript for video

Welcome to the module on key concepts of Service Management.

The concepts within this module, apply to all services and service relationships, regardless of their nature and underpinning technology. A shared understanding of the key concepts and terminology of ITIL by organizations and individuals is fundamental to address real world service management challenges as it gives a common language and focus.

To that end, this module explains some of the important concepts of service management, including:

- The nature of value and value co-creation
- Organizations, service providers, service consumers and other stakeholders
- Products and services
- Service relationships
- Outcomes, costs and risks

Before we go any deeper, let's first understand the nature of value and value co-creation. Value is not a complex concept, it simply means "being of use". Something has value to someone as long as it is useful or important and it can offer benefits.

Value is delivered by the service provider through its products and services and the consumer receives value; but does this mean that the consumer plays no role in the creation of value for themselves? Not exactly!

The relationship between a service provider and the consumer is not one-sided. Value is co-created through an active and collaborative partnership between service provider and consumer, as well as other stakeholders. These other stakeholders can be investors and shareholders, regulators, partners and suppliers, communities, and societies.

Delivering a service is not a passive experience. It is important to recognize that the role of provider and consumer are sometimes interchangeable. Organizations also use other service providers and are thereby recognized as a consumer.

Let's continue with the other concepts!

Service Management

Service Management

"Service management is defined as a set of specialized organizational capabilities for enabling value to customers in the form of services."

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Developing the specialized organizational capabilities mentioned in the definition of service management requires an understanding of:

- the nature of value
- the nature and scope of the stakeholders involved
- how value creation is enabled through services

The key focus of this module is the concept of "value". The different key concepts of service management are discussed as concepts for creating value with services.

The Axle Car Hire Story

“Axle’s Services

Su: At Axle, our service is travel experience. We provide this service to our customers to create value both for them and for Axle. Service management helps us to realize this value.”

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Key Terms Covered in the Module

Organization	“A person or a group of people that has its own functions with responsibilities, authorities, and relationships to achieve its objectives.”
Service Management	“A set of specialized organizational capabilities for enabling value for customers in the form of services.”
Service	“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.”
Service Provider	“When provisioning services, an organization takes on the role of the service provider. The provider can be external to the consumer’s organization, or they can both be part of the same organization.”
Service Consumer	“When receiving services, an organization takes on the role of the service consumer.”
Product	“A configuration of an organization’s resources designed to offer value for a consumer.”
Value	“Value is the perceived benefits, usefulness and importance of something.”
Customer	“A person who defines the requirements for a service and takes responsibility for the outcomes of service consumption.”
User	A person who uses services.”
Sponsor	“A person who authorizes budget for service consumption.”
Service Offering	“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.”
Service Relationship	“A co-operation between a service provider and service consumer. Service relationships include service provision, service consumption and service relationship management.”
Service Relationship Management	“Joint activities performed by a service provider and a service consumer to ensure continual value co-creation based on agreed and available service offerings.”
Output	“A tangible or intangible deliverable of an activity.”
Outcome	“A result for a stakeholder enabled by one or more outputs.”

Cost	“The amount of money spent on a specific activity or resource.”
Risk	“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.”
Utility	“The functionality offered by a product or service to meet a particular need.”
Warranty	“The assurance that a product or service will meet agreed requirements.”

Module Learning Objectives

At the end of this module, you will be able to:

- Understand the concept of value and co-creation of value by service provider and service consumer.
- Understand how organizations create value through products and services.
- Identify the importance of service relationships and service relationship management.
- Describe the key concepts of creating value with services, including outcome, output, cost, risk, utility and warranty.

VALUE AND VALUE CO-CREATION

Organization

Organization

“A person or a group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives.”

(adapted from ISO 9001:2015)

An organization can be a legal entity, a part of a legal entity, or a number of legal entities.

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Organizations vary in size and complexity. An organization can be a legal entity, a part of a legal entity, or a complex network of legal entities united by common objectives, relationships and authorities.

The relationships between and within organizations are complex. Each organization depends on others in its operation and development. Organizations may hold different roles, depending on the different perceptions. In the context of service management, an organization can act as a service provider or as a service consumer; in reality, **an organization can play both roles at any given moment.**

EXAMPLE

an organization can play both roles at any given moment

An organization that coordinates holiday packages can fill the role of service provider when it sells a package to customers, while simultaneously filling the role of service consumer when it hires cab service to pick its customers from airport.

Value

Value

“Value is the perceived benefits, usefulness and importance of something.”

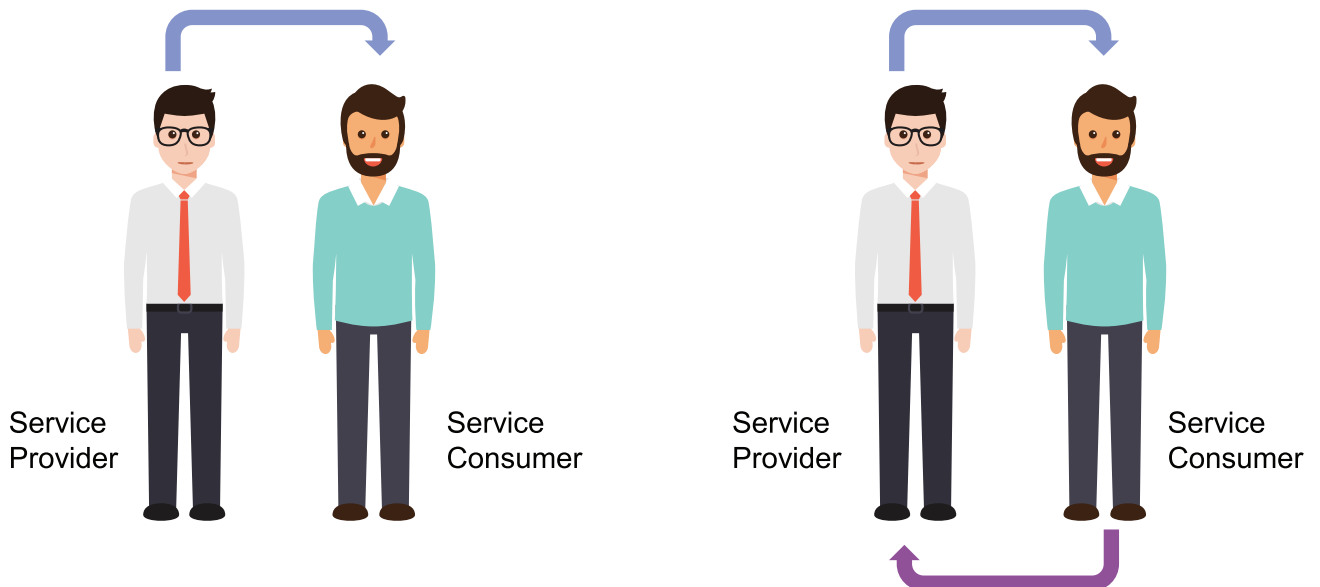
The purpose of an organization is to create value for stakeholders. Different person, groups, or entities in an organization always operate in an integrated and coordinated way to facilitate value creation and fulfil a common set of objectives. The term ‘value’ is an important concept in service management, and it is a key focus of ITIL 4.

Value is not a fixed term; it is subject to the perception of the stakeholders, whether they are the service consumer or part of the service provider organization(s).

Co-Creation of Value

There was a time when the relationship between the service provider and service consumer was considered to be mono-directional and distant.

Over the time, organizations recognized that value is co-created through an active collaboration between service providers and service consumers

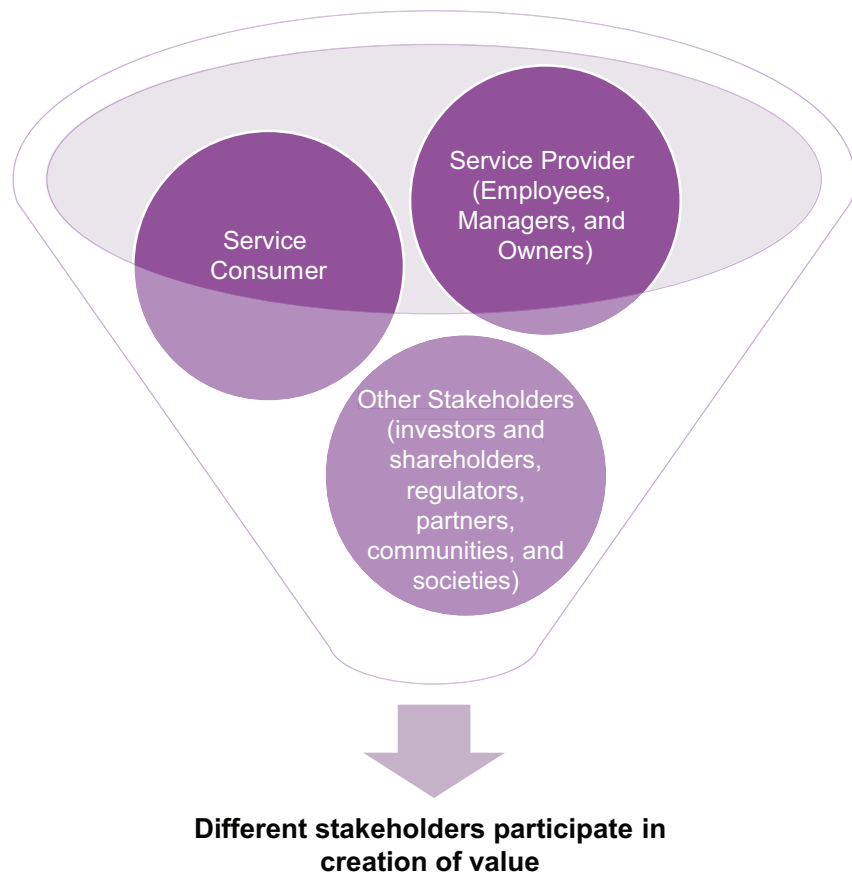


There was a time when the relationship between the service provider and service consumer was considered to be mono-directional and distant. It was determined that the service provider delivers the service and the service consumer receives value; the service consumer plays no role in the creation of value for themselves. This view fails to take into consideration the complex and interdependent service relationships that exist in reality.

Over the time, organizations recognized that value is co-created through an active collaboration between service providers and

service consumers, and other stakeholders. Service providers should not work in isolation to define the value for their customers and users. They should establish service relationships with consumers to co-create value. Service relationships are mutually beneficial, interactive service relationships with their consumers to understand the consumer’s perspective of value. This will empower service consumers to contribute to the definition of requirements, design of service solutions, and to service creation and/or provisioning itself.

Service Providers, Service Consumers, and Other Stakeholders



One of the most important stakeholder groups for any organization is service consumers – organizations and individuals that consume the services the organization provides. However, in service management there are many other groups of stakeholder, including investors and shareholders, regulators, partners, communities, and societies. Each of these stakeholders must be understood in the context of the creation of value in the form of services. The organization itself (service provider) is also a key stakeholder, including its employees, managers and owners.

For the success and the continued existence of an organization, it is important that relationships with all key stakeholder groups are considered and managed. If stakeholders do not relate to with what the organization does or how it does it, the provider's relationships with its consumers can be impacted badly.

Service Providers

Service Provision

“When provisioning services, an organization takes on the role of the service provider. The provider can be external to the consumer's organization, or they can both be part of the same organization.”

It is important that the service provider has a clear understanding of who its consumers are in a given situation and who the other stakeholders are in the associated service relationships.

The service provider and service consumer can be different organizations, or they can both be part of the same organization.

One simple example of provider-consumer model is where the service provider can be the IT department of an organization and other departments or units can be regarded as consumers. In reality, different comprehensive provider-consumer models exist. For example, a service provider can sell services on the open market to individual consumers or other organizations, or they can be part of a **service alliance**.

The Axle Car Hire Story

Service Providers

“**Henri:** Axle Car Hire acts as a service provider. We provide cars for hire. At the same time, other organizations, such as mechanics and the companies that we buy our cars from, act as service providers for Axle.”

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Service Consumers

Service Consumers

“When receiving services, an organization takes on the role of the service consumer”.

service alliance

Service alliance is a collaboration between two or more organizations providing services to consumers. For example, in the US Abbott Laboratories warehouses and delivers the 3M's medical and surgical products to hospitals. So, here US Abbott and 3M are working in service alliance to provide (products and) services to hospitals.

EXAMPLE

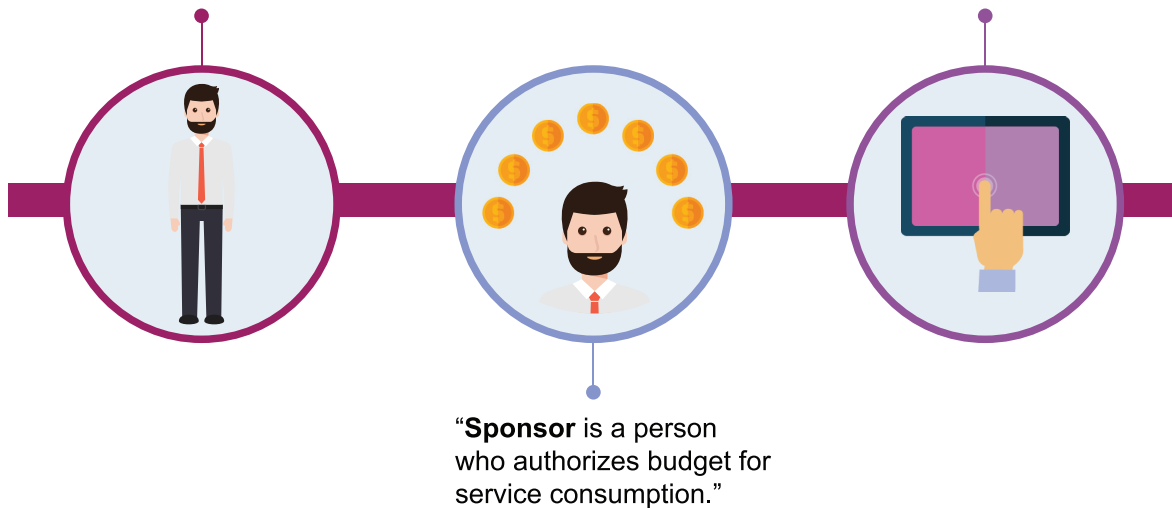
If an organization wishes to purchase cab services for its employees from a car rental service provider, the three consumer roles may be distributed as follows:

- The Administration Officer and key communications team members fill the role of customer, who analyze the cab requirements of the company's employees and negotiate the contract with the car rental service provider and monitor the service provider's performance against the contracted requirements.
- The Finance Manager fills the role of the sponsor, who reviews the proposed service arrangement and approves the cost of the contract as negotiated.
- The employees (including the Administration Officer, Finance Manager and communications team members) fill the role of users when they order, receive, and use the cab services.

Service consumer is a generic role; in practice, service consumption includes more specific roles: customer, user, and sponsor.

“**Customer** is a person who defines the requirements for a service and takes responsibility for the outcomes of service consumption.”

“**User** is a person who uses services.”



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Service consumer is a generic role that is used to simplify the relationship between service provider and service consumer in a service relationship. In practice, the service consumption involves more specific roles such as customer, users and sponsors. Each of these roles may have different definitions of value and sometimes even conflicting expectations from services.

If an organization wishes to purchase cab services for its employees from a car rental service provider, the three consumer roles may be distributed as follows:

- The Administration Officer and key communications team members fill the role of customer, who analyze the cab requirements of the company’s employees and negotiate the contract with the car rental service provider and monitor the service provider’s performance against the contracted requirements.
- The Finance Manager fills the role of the sponsor, who reviews the proposed service arrangement and approves the cost of the contract as negotiated.
- The employees (including the Administration Officer, Finance Manager and communications team members) fill the role of users when they order, receive, and use the cab services.

The Axle Car Hire Story

Axle's Service Consumers

Su: Our most obvious service consumers are the people and organizations who hire our cars, visit our offices, and use our website and booking app. For example, Yoshi and Faruq are service consumers, and so is Food for Fuel. They are also our customers.

Radhika: Users are the people who make use of our services. Our car-hire users are the drivers and passengers in our vehicles.

Marco: Sponsors are the people who authorize budgets. For Axle Car Hire, our sponsors include Amelia from Food for Fuel, who approves the travel budget for her organization even if she doesn't travel herself.

Henri: Individual service consumers such as Yoshi and Faruq approve their own budgets, define their requirements for car hire, and drive the cars. Therefore, Yoshi and Faruq act as sponsors, customers, and users. Sometimes, though, they may share the trip with fellow drivers (friends or family members). In this case, their contracts will include other users."

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Activity Case Study Discussion: Value from the Perspective of Different Stakeholders

Activity Time: 10 minutes

Focus

Value is subject to the perception of different stakeholders. Here is a generic example of different stakeholders and definition of value for these stakeholders.

Stakeholder	Value (Example)
Service consumers	Benefits achieved, costs and risks optimized
Service provider	Funding from the consumer; business development; image improvement
Partners	Financial and non-financial incentives, business development; image improvement
Shareholders	Financial benefits, such as dividends; sense of assurance and stability

Task:

In consideration to the Axle Car Hire case study, identify some key stakeholders. What is the definition or expectation of value for each of these stakeholders?