

ITIL[®] Intermediate Lifecycle Stream

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ITIL[®] Intermediate Lifecycle Stream:
SERVICE STRATEGY CERTIFICATE

Sample Paper 1, version 6.1

Gradient Style, Complex Multiple Choice

ANSWERS AND RATIONALES

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Version 6.1 (Live)

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Answer Key:

Scenario	Question	Correct: 5 Marks	2nd Best: 3 Marks	3rd Best: 1 Mark	Distracter: 0 Marks
One	1	<i>D</i>	<i>C</i>	<i>B</i>	<i>A</i>
Two	2	<i>C</i>	<i>D</i>	<i>B</i>	<i>A</i>
Three	3	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
Four	4	<i>D</i>	<i>C</i>	<i>B</i>	<i>A</i>
Five	5	<i>D</i>	<i>C</i>	<i>B</i>	<i>A</i>
Six	6	<i>D</i>	<i>B</i>	<i>C</i>	<i>A</i>
Seven	7	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
Eight	8	<i>A</i>	<i>D</i>	<i>C</i>	<i>B</i>

QUESTION	One	SCENARIO	One
Question Rationale	This question focuses on the development of service potential and service management as a strategic asset by understanding market spaces and value creation principles.		
MOST CORRECT (5)	D	This answer is the most comprehensive as it recognizes the value that the internet access creates for students and also considers the cost justification of providing it. This option recognizes that the wireless is a customer asset that can create additional performance potential through wider access to a new market space. By treating internet access as a service in its own right, proper decisions can be made regarding costs and value creation. This answer also correctly identifies the relationship between market spaces, customer assets and service potential.	
SECOND BEST (3)	C	This is a reasonable answer as it recognizes the value potential of internet access for students. Providing an 'internet café' approach would enable better control over demand for the resources devoted to student internet access. It doesn't address the potential for developing the internet access facility as a service in its own right. Also the utility of wireless connectivity is taken away in the case of Internet access from the café. Students may be able to do quick references and download lecture slides while they are in class. Answer C, therefore, does not fully explore the nature of demand for wireless access.	
THIRD BEST (1)	B	This is a solution that lacks any consideration of the possibilities of developing internet access for students. It has merit in the sense that it would result in a clearer setting of student expectations, but it fails to consider the value creation possibilities.	
DISTRACTER (0)	A	This is an incorrect answer as it incorrectly identifies the market spaces and fails to address any considerations of costs and risks. It also makes untested assumptions regarding the level of cost compared with customer satisfaction. Also the assumption that only the needs of external customers need to be taken into account is incorrect. Poorly-performing administrative services can be just as damaging to the business (e.g. late billing).	
Syllabus Unit / Module supported	ITIL SL: SS02 Service strategy principles		
Bloom's Taxonomy Testing Level	<p>Level 3 Applying – Use ideas, principles and theories in new, particular and concrete situations. Behavioural tasks at this level involve both knowing and comprehension and might include choosing appropriate procedures, applying principles, using an approach or identifying the selection of options.</p> <p>Application – The candidate must apply their knowledge of service potential, customer assets and the basic principles of demand management, and place this into the context of the scenario in order to determine the service potential and best choice for the organisation depicted.</p>		
Subjects covered	<p>Categories Covered:</p> <ul style="list-style-type: none">• Strategic assessment• Service potential• Demand management		
Book Section Refs	<p>SS 3.2.5.2 – Service strategy principles – Customers and services – Services – Business units and service providers</p> <p>SS 3.2.5.3 – Service strategy principles – Customers and services – Services – Strategic assets</p>		
Difficulty	Moderate		

QUESTION	Two	SCENARIO	Two
Question Rationale	This question focuses on value creation. Value is defined not only strictly in terms of the customers' economic business outcome but also highly on the customers' perceptions. Perceptions of added value are influenced by expectations.		
MOST CORRECT (5)	C	According to the service strategy practices, measurements should focus on the strategic goals of the organisation. It is not enough to monitor discrete components and measure specific problem domains. The IT unit, therefore, must discuss and understand the needs and priorities of the business, the strategic business goals, the end-to-end business processes and the underpinning IT services and infrastructure to establish holistic performance measurements that support the business environment.	
SECOND BEST (3)	D	End-to-end measurements are important to ensure that decisions are taken based on holistic service analytics capabilities. If the measurements are not based on the strategic goals and needs of the business, the IT unit is at risk of establishing very resource-demanding measurements that do not support the business processes and strategies.	
THIRD BEST (1)	B	It is correct that measurements are the basis for continuous improvement of the implemented processes. According to the practices in service strategy, however, the starting point for monitoring and measurements should be to support the strategic goals and the needs of the business before underpinning these measurements with specific operational and component-based measurements, because there is a risk that operational measurements are chosen that do not support the strategic needs of the organisation.	
DISTRACTER (0)	A	It is not correct that service level management is a precondition for monitoring and measurements. Neither is it a rule that service portfolio management must be implemented before service catalogue management and service level management. It depends on the circumstances and the requirements from the business and the IT unit. It is the wrong answer.	
Syllabus Unit / Module supported	ITIL SL: SS08 SS Challenges, critical success factors and risks		
Bloom's Taxonomy Testing Level	Level 4 Analysis - The ability to use the practices and concepts in a situation or unprompted use of an abstraction. Can apply what is learned in the classroom in workplace situations. Can separate concepts into component parts to understand structure and can distinguish between facts and inferences. Application – The candidate must apply their knowledge of value creation and be able to conclude that a holistic definition of value is the correct approach and simple isolated value measurements will not meet the goals of the organisation depicted in the scenario.		
Subjects covered	Categories Covered: <ul style="list-style-type: none">• Measurement		
Book Section Refs	SS 9.1.4 – Challenges, critical success factors and risks – Challenges – Effective Measurement		
Difficulty	Easy		

QUESTION	Three	SCENARIO	Three
Question Rationale	This question focuses on the development of service potential and service management as a strategic asset by understanding market spaces and value creation principles.		
MOST CORRECT (5)	A	Answer A is the best option as it has no pre-conceptions about which services are most worthy of retaining in-house. In order to make a sourcing decision, it is correct to understand the value created by services for the business using the service catalogue, and then balance this against the true costs of providing the service.	
SECOND BEST (3)	B	Answer B adopts a sensible approach to an extent, but it would be wrong to automatically assume that if the cost of providing desktop PC support and server hosting services internally is greater than the proposed price from the external provider, then the services should be outsourced. This does not take into account the value created for the business by those services, particularly as the infrastructure supports a strategic application and confidential data. The strategy needs to take into account cost and value.	
THIRD BEST (1)	C	This is the third best answer. The suggested answer focuses on the service portfolio without offering any plausible explanation why analysis should be done at that level. Also it only focuses on cost of service provision, without balancing this against the potential value created. Just focusing on the least costly services ignores the needs and perception of the business customers.	
DISTRACTER (0)	D	This is the least viable of the answers. Just producing a service portfolio will not necessarily provide the information alluded to in the answer. Implementing cost reductions will not necessarily make services more attractive to customers – it could in fact squeeze service potential so much that service level performance and value to customers would also reduce.	
Syllabus Unit / Module supported	ITIL SL: SS03 Service strategy processes ITIL SL: SS02 Service strategy principles		
Bloom's Taxonomy Testing Level	Level 3 Applying – Use ideas, principles and theories in new, particular and concrete situations. Behavioural tasks at this level involve both knowing and comprehension and might include choosing appropriate procedures, applying principles, using an approach or identifying the selection of options. Level 4 Analysis - The ability to use the practices and concepts in a situation or unprompted use of an abstraction. Can apply what is learned in the classroom in workplace situations. Can separate concepts into component parts to understand structure and can distinguish between facts and inferences. Application - The candidate must apply their knowledge of market space analysis and analyse the details of the scenario to determine which assets are actually of value and that it is important to have no preconceived notion about this before conducting the analysis.		
Subjects covered	Categories Covered: <ul style="list-style-type: none">• Making decisions on service portfolio management, methods, and processes related to service management and services• Strategic analysis• Sourcing strategy		
Book Section Refs	SS 4.2 – Service strategy processes – Service portfolio management SS 3.7.1 – Service strategy principles – Sourcing strategy – Deciding what to source		
Difficulty	Moderate		

QUESTION	Four	SCENARIO	Four
Question Rationale	This question focuses on the use of financial management to provide an effective basis for service valuation. The candidate must understand the initial steps to unifying a financial management process within the company. A key to this is recognizing from the scenario that the issue is really about the disparate processes in place which are now creating unnecessary complexity, inaccuracies, and the perception of poor service in the customers view.		
MOST CORRECT (5)	D	As an initial approach this option is the most correct one. It deals first with the recognition of the existence of disparate processes within the larger organization and the need to examine these for sources of financial information. It also recognizes opportunities to adopt and adapt existing practices that are working well and then applying ITIL process to help support them. This approach then correctly establishes a merged chart of accounts into which to migrate data and a rationalization of service assets to confirm the capture of all service- related costs. All of these activities are a good basis for understanding internal service costs, which was what the CIO had agreed was the initial step.	
SECOND BEST (3)	C	This option begins with a correct approach by reviewing the organization's financial management practices to find existing best practices to adapt. It also recognizes the need to establish a unified chart of accounts. However, it misses some key steps of reviewing the existing financial information and there is no mention of adapting ITIL practices or validation of internal service costs, both of which are required by the jointly agreed approach.	
THIRD BEST (1)	B	This option does recognize the issue of declining customer satisfaction, however it incorrectly suggests the way around this is to focus on SLM. There is no indication that service levels are the issue. The issues stated are around inaccurate billings. This option fails to recognize existing practices or sources of financial information and goes for a new approach without taking into account what is already in place and how this needs to be considered.	
DISTRACTER (0)	A	This option is incorrect and does not address a single issue described in the scenario. It fails to address the issues at all and focuses on a portfolio approach before even rationalizing what the organization has to evaluate to address the financial management issues.	
Syllabus Unit / Module supported	ITIL SL: SS03 Service strategy processes		
Bloom's Taxonomy Testing Level	Level 4 Analysis – The ability to use the practices and concepts in a situation or unprompted use of an abstraction. Can apply what is learned in the classroom in workplace situations. Can separate concepts into component parts to understand structure and can distinguish between facts and inferences. Application – The candidate must consider the facts described in the scenario and their analysis of financials in order to correctly identify the correct potential approaches and the reason for doing so.		
Subjects covered	Categories Covered: <ul style="list-style-type: none">Financial management for IT services – Process activities, methods and techniques		
Book Section Refs	SS 4.3.3 – Service strategy processes – Financial management for IT services – value to business SS 4.3.4 – Service strategy processes – Financial management for IT services – Policies principles and basic concepts SS 4.3.5 – Service strategy processes – Financial management for IT services – process activities, methods and techniques – process flow only		
Difficulty	Easy		

QUESTION	Five	SCENARIO	Five
Question Rationale	The question looks at service strategies linked to end-customer requirements and their strategic importance, and considers aspects of IT service costs through the service delivery chain including hidden costs.		
MOST CORRECT (5)	D	If consolidation / centralization can reduce the unit cost of service through the whole chain of service delivery, then it should be considered. This answer focuses on the relationship between IT costs and customer costs in deploying an IT service.	
SECOND BEST (3)	C	This answer contains some good advice, but it does not address the relationship between IT costs and the customer costs in deploying an IT service, and, as the IT costs savings are part of an overall cost-cutting exercise, it would not be appropriate to cut IT costs only for customer costs to rise by a similar or greater amount.	
THIRD BEST (1)	B	There is some merit in this answer. It is quite likely that these IT services are quite localized and there are fewer economies of scale to be gained. More information is required before this can be confirmed. However it is also quite possible that there may be aspects of these IT services which can be consolidated without detracting from the requirement for local responsiveness.	
DISTRACTER (0)	A	An issue with this answer is that while this business is low-margin it is definitely not low value, and the two should not be confused. There may well be some sense and economy of scale to be gained, and this would need further investigation. However, it might only be possible to achieve the low margin with local support and the value of this support must be taken into account. If the support is centralized, it might be replaced with unseen costs at the business end, and this could eat into the low margins. The costs associated with consolidating and centralizing might actually outweigh the small steady margins.	
Syllabus Unit / Module supported	ITIL SL: SS02 Service strategy principles ITIL SL: SS03 Service strategy processes		
Bloom's Taxonomy Testing Level	Level 3 Applying – Use ideas, principles and theories in new, particular and concrete situations. Behavioural tasks at this level involve both knowing and comprehension and might include choosing appropriate procedures, applying principles, using an approach or identifying the selection of options. Application – The candidate must apply their knowledge of service portfolio management and understand that service costs can include hidden costs and that this may drive certain option to be considered that may not be immediately recognized.		
Subjects covered	Categories Covered: <ul style="list-style-type: none">• Service value• Return on investment• Demand management• Service portfolio management		
Book Section Refs	SS 3.4.4 – Service strategy principles – How to define services – Step 4 -Classify and visualize the service SS 3.6.1 – Service strategy principles – Service economics – Return on investment SS 4.1.5.2 – Service strategy processes – Strategy management for IT services – Process activities, methods and techniques – Analyse the internal environment SS 4.1.5.14 – Service strategy processes – Strategy management for IT services – Process activities, methods and techniques – Align assets with customer outcomes SS 4.2.4.12 – Service strategy processes – Service portfolio management – Process activities, methods and techniques – Aligning service assets, services and business outcomes SS 4.2.5 – Service strategy processes – Service portfolio management – (Figure 4.19 The service portfolio management process (the approval section))		
Difficulty	Moderate		

QUESTION	Six	SCENARIO	Six
Question Rationale	This question focuses on the importance of IT governance within an overall corporate governance and the need to embed corporate objectives in the execution of IT strategy and management practices. The candidate should recognize that ITIL considers IT governance a part of overall corporate governance and that the CIO must be fully engaged in governance activities at the corporate level.		
MOST CORRECT (5)	D	This option is the most correct. It recognizes that IT governance is not a separate entity but is part of corporate governance and that the CIO should provide input into governance within the context of meeting corporate objectives, in this case strategic growth. This will help ensure that the CIO has corporate support for embedding a customer-centric focus and cultural change in the organization to enable IT to meet these corporate objectives.	
SECOND BEST (3)	B	This option has some correct points in terms of creating IT policies in support of corporate governance. While tying bonus incentives to customer satisfaction may be a valid strategy, it lacks the necessary elements to address corporate cultural change at grass roots and this resistance stems from rapid growth and a lack of resource scalability. Bonus incentives for managers will not address this.	
THIRD BEST (1)	C	This option recognizes the need to address customer confidence but fails to link the cause and effect to a lack of alignment to governance and corporate objectives. It would not be advisable to forgo long-term stability of good governance with a band-aid solution of optimizing staff levels. If anything, these things would need to be done in concert with one another which this option does not recommend.	
DISTRACTER (0)	A	This answer option is wrong. The cultural awareness directive will not create adoption and does address the cause of these issues which stem from rapid growth in an environment without a unified focus on governance and alignment to corporate objectives.	
Syllabus Unit / Module supported	ITIL SL: SS04 Governance		
Bloom's Taxonomy Testing Level	Level 4 Analysis – The ability to use the practices and concepts in a situation or unprompted use of an abstraction. Can apply what is learned in the classroom in workplace situations. Can separate concepts into component parts to understand structure and can distinguish between facts and inferences. Application – The candidate must use their knowledge of the embedded nature of IT governance within overall corporate governance, the cause of the growth and cultural resistance within this organization and the effect this has on performance.		
Subjects covered	Categories Covered: • Governance		
Book Section Refs	SS 5.1.5 – Service strategy, governance, architecture and ITSM implementation strategies – Governance – What is IT governance?		
Difficulty	Moderate		

QUESTION	Seven	SCENARIO	Seven																								
Question Rationale	This question is focused on the role of business relationship management and its interaction with other processes. The candidate must understand that the BRM role interacts with a variety of activities in a variety of ways, but that there is still primary process ownership for certain activities which the BRM has input into but is not accountable for.																										
MOST CORRECT (5)	A	<p>This is the correct answer. It maps to SS table 4.11 in section 4.5.3.1. In each of the activities where BRM does not have primary responsibility, it is involved as an additional process interface as indicated in the following excerpt from service strategy:</p> <table><tr><th>Scenario</th><th>Primary process being executed</th><th>Other processes involved</th></tr><tr><td>Developing high-level customer requirements for a proposed new service</td><td>Business relationship management</td><td>Service portfolio management</td></tr><tr><td>Building a business case for a proposed new service</td><td>Business relationship management</td><td>Service portfolio management</td></tr><tr><td>Confirming customer's detailed functionality requirements for a new service</td><td>Design coordination</td><td>Business relationship management</td></tr><tr><td>Confirming a customer requirement for service availability for a new service</td><td>Service level management</td><td>Business relationship management, availability management</td></tr><tr><td>Establishing patterns of business activity</td><td>Demand management</td><td>Business relationship management</td></tr><tr><td>Evaluating business case for new service request from customer and deciding go/no go</td><td>Service portfolio management</td><td>Business relationship management, financial management</td></tr><tr><td>Report service performance against service level targets</td><td>SLM</td><td>Business relationship management</td></tr></table>		Scenario	Primary process being executed	Other processes involved	Developing high-level customer requirements for a proposed new service	Business relationship management	Service portfolio management	Building a business case for a proposed new service	Business relationship management	Service portfolio management	Confirming customer's detailed functionality requirements for a new service	Design coordination	Business relationship management	Confirming a customer requirement for service availability for a new service	Service level management	Business relationship management, availability management	Establishing patterns of business activity	Demand management	Business relationship management	Evaluating business case for new service request from customer and deciding go/no go	Service portfolio management	Business relationship management, financial management	Report service performance against service level targets	SLM	Business relationship management
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Report service performance against service level targets	SLM	Business relationship management																									
SECOND BEST (3)	B	<p>This option is mostly correct but has two primary processes that are not correct (Emboldened and underlined)</p> <table><tr><th>Activity</th><th>Primary process being executed</th></tr><tr><td>Developing high-level customer requirements for a proposed new service</td><td><u>Design coordination</u></td></tr><tr><td>Building a business case for a proposed new service</td><td>Business relationship management</td></tr><tr><td>Confirming customer's detailed functionality requirements for a new service</td><td><u>Business relationship management</u></td></tr><tr><td>Confirming a customer requirement for service availability for a new service</td><td>Service level management</td></tr><tr><td>Establishing patterns of business activity</td><td>Demand management</td></tr><tr><td>Evaluating business case</td><td>Service portfolio management</td></tr><tr><td>Report service performance against service level targets</td><td>Service level management</td></tr></table>		Activity	Primary process being executed	Developing high-level customer requirements for a proposed new service	<u>Design coordination</u>	Building a business case for a proposed new service	Business relationship management	Confirming customer's detailed functionality requirements for a new service	<u>Business relationship management</u>	Confirming a customer requirement for service availability for a new service	Service level management	Establishing patterns of business activity	Demand management	Evaluating business case	Service portfolio management	Report service performance against service level targets	Service level management								
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THIRD BEST (1)	C	<p>This option has three incorrect primary process responsibilities</p> <table><tr><th>Activity</th><th>Primary process being executed</th></tr><tr><td>Developing high-level customer requirements for a proposed new service</td><td><u>Design coordination</u></td></tr><tr><td>Building a business case for a proposed new service</td><td><u>Service level management</u></td></tr><tr><td>Confirming customer's detailed functionality requirements for a new service</td><td>Design coordination</td></tr><tr><td>Confirming a customer requirement for service availability for a new service</td><td>Service level management</td></tr><tr><td>Establishing patterns of business activity</td><td>Demand management</td></tr><tr><td>Evaluating business case</td><td><u>Business relationship management</u></td></tr></table>		Activity	Primary process being executed	Developing high-level customer requirements for a proposed new service	<u>Design coordination</u>	Building a business case for a proposed new service	<u>Service level management</u>	Confirming customer's detailed functionality requirements for a new service	Design coordination	Confirming a customer requirement for service availability for a new service	Service level management	Establishing patterns of business activity	Demand management	Evaluating business case	<u>Business relationship management</u>										
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Establishing patterns of business activity	Demand management																										
Evaluating business case	<u>Business relationship management</u>																										

		Report service performance against service level targets	Service level management
DISTRACTER (0)	D	All of the primary processes are incorrectly matched	
		Activity	Primary process being executed
		Developing high-level customer requirements for a proposed new service	<u>Design coordination</u>
		Building a business case for a proposed new service	<u>Service portfolio management</u>
		Confirming customer's detailed functionality requirements for a new service	<u>Design coordination</u>
		Confirming a customer requirement for service availability for a new service	<u>Demand management</u>
		Establishing patterns of business activity	<u>Business relationship management</u>
		Evaluating business case	<u>Service portfolio management</u>
		Report service performance against service level targets	<u>Business relationship management</u>
Syllabus Unit / Module supported	ITIL SL: SS03 Service strategy processes		
Bloom's Taxonomy Testing Level	Level 4 Analysis – The ability to use the practices and concepts in a situation or unprompted use of an abstraction. Can apply what is learned in the classroom in workplace situations. Can separate concepts into component parts to understand structure and can distinguish between facts and inferences.		
	Application – The candidate must apply their knowledge of the interaction of BRM with other processes and where it has primary responsibility.		
Subjects covered	Categories Covered: <ul style="list-style-type: none"> • BRM • Service portfolio management • Service level management • Design coordination • Service level management • Demand management 		
Book Section Refs	SS 4.5.3.1 – Service strategy processes – Business relationship management – Value to business – Business relationship management process and other service management processes SS Table 4.11 – Business relationship management process and other service management processes		
Difficulty	Hard		

QUESTION	Eight	SCENARIO	Eight
Question Rationale	This question focuses on the role that market spaces play in defining services and articulating the value of those services. Candidates should be able to demonstrate an understanding of the relationship of business outcomes, service archetypes, market spaces and customer assets. Specifically, candidates should be able to understand: <ul style="list-style-type: none">• That market spaces are sets of opportunities for delivering value, and not simply customers or groups of customers• Market spaces are created by understanding the outcomes desired by customers, and then identifying the combination of customer assets and service archetypes that will enable the customer to achieve those outcomes• When market spaces are mapped, it becomes possible to define the structure of services that will be documented in the service catalogue (which is the appropriate reference for staff in this situation).		
MOST CORRECT (5)	A	This answer is most correct. It emphasises that this process should start with defining the business outcomes and then determining how the technology department can identify the value of services, and how they can use the concept of market spaces to determine where the best opportunities are to deliver value. It also makes the point that market spaces form the basis for cataloguing services.	
SECOND BEST (3)	D	This answer is mostly correct, but has some flaws. The sequence of activities is correct, but the process stops at the service portfolio. While it may be important to document market spaces in the service portfolio, the service catalogue will be the reference for most technology department staff and their customers.	
THIRD BEST (1)	C	This answer is mostly incorrect. Although the steps are more or less correct, they are in the wrong sequence. In addition, it is not advisable to start with what the technology department does, and then define business outcomes based on that information. In this situation, the business outcomes should be the basis for defining market spaces.	
DISTRACTER (0)	B	This answer is incorrect. Market spaces are not synonymous with customer groups. As such all the steps in the answer relating to how market spaces relate to service archetypes and customer assets are inaccurate.	
Syllabus Unit / Module supported	ITIL SL: SS02 Service strategy principles		
Bloom's Taxonomy Testing Level	Level 3 Applying – Use ideas, principles and theories in new, particular and concrete situations. Behavioural tasks at this level involve both knowing and comprehension and might include choosing appropriate procedures, applying principles, using an approach or identifying the selection of options. Application – The question rationale depicts a detailed application of what is expected of the candidate for this question at Blooms level 3.		
Subjects covered	Categories Covered: <ul style="list-style-type: none">• How to define services• Market spaces• Understand the customer• Service archetypes• Customer assets• Business outcomes		
Book Section Refs	SS 3.4.1 – Service strategy principles – How to define services – Step 1 – Define the market and identify customers SS 3.4.2 – Service strategy principles – How to define services – Step 2 – Understand the customer SS 3.4.3 – Service strategy principles – How to define services – Step 3 – Quantify the outcomes SS 3.4.4 – Service strategy principles – How to define services – Step 4 – Classify and visualize the service SS 3.4.5 – Service strategy principles – How to define services – Step 5 – Understand the opportunities (market spaces) SS 3.4.6 – Service strategy principles – How to define services – Step 6 – Define services based on outcomes		
Difficulty	Moderate		