

ITIL® 4: Digital and IT Strategy case study

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1 About the case study

The case study below is designed for the practical assignments of the *ITIL 4 Leader: Digital and IT Strategy* course.

It describes three fictional companies; any resemblance to real companies is unintentional.

The course participants are expected to work on the practical assignments in small groups. Each group should select one company from the case study for all practical assignments during the course. It is recommended that different groups select different companies. However, all participants are expected to be familiar with the entire case study.

As well as containing descriptions of the companies, the case study includes a brief overview of the major risk, which is likely to affect all of the described companies. Where relevant, this information should be used during the exercises.

Participants can add any information about the companies that is not described here, as long as the assumptions that they make are reasonable and explicitly stated during the practical assignments.

2 MCL

MCL is an international education company that specializes in language training and educational travel. The company was founded 10 years ago in London, UK. Currently, the company's headquarter is based in Amsterdam. It is privately owned by the founder's family.

MCL offers language courses through its in-house classes. It also has a franchise network covering 20 countries, including: Germany, France, Russia, Japan, Spain, Italy, China, and the USA. Language courses are offered in multiple formats, including: individual tutoring, face-to-face and virtual classes, and tailored programmes for corporate customers. 12 languages are available to study.

MCL offers widely recognized international language certifications, and is an accredited partner of the certification bodies in most of the countries in which it operates.

The company also offers educational travel, which includes exchange programmes, as well as short-term and medium-term attendance at language campuses that have a reputation for excellent education, reasonable prices, safety, and discerning cultural programmes. The campuses are run in collaboration with MCL's travel and hospitality partner, The New Hospitality Company (TNH).

MCL has adopted a divisional organizational structure, with six regional offices in: Europe, Asia, North America, Central and South America, Australia and New Zealand, and Africa. Each regional office follows the company's guiding principles, quality standards, methods and curricula. However, each office has significant autonomy in business development, marketing, and commercial matters.

A shared learning and content management system is used globally for all online classes. In most cases the system meets the company's requirements, despite having only limited support for mobile devices.

There are currently 3000 employees working within MCL globally, and about 5000 in franchise language centres.

At a global language learning conference last year, MCL reported the following key trends based on its observations from the last ten years:

- The demand for multilingual professionals is growing in Europe, Asia, and the USA.
- The demand for online and blended (online and in-class) programmes is growing every year across the globe. The fastest growth has been observed in Northern Europe, and the slowest is in countries and areas with limited internet coverage.
- The demand for educational travel is growing slowly. There is a noticeable growth in travel services for younger children (5 to 9 years old) and a decline in demand from young adults (20 and 25 years old).
- Demand for certification is growing across regions and age groups. Up to 95% of students aim to achieve a recognized certification, to demonstrate their proficiency in their chosen language.
- Rapidly developing digital translation services have not yet affected demand for language classes. However, it is expected that in the next few years demands will change:
 - from widely spoken to less commonly spoken languages
 - from basic levels to higher proficiency
 - from general to specialized language skills.

Online learning is moving rapidly from computers to handheld devices, from offices and homes to other locations (transport, parks, cafés, etc.).

3 The New Hospitality Company (TNH)

The New Hospitality Company (TNH) was founded over 30 years ago and has been involved in several mergers and acquisitions since then. It currently manages three key brands (TNH hotels, TNH selection, and TNH Nature, which offer business hotels, luxury hotels, and resort and countryside accommodations respectively). The company has over 300 hotels in 25 countries with over 30 000 rooms. The company's headquarters are in London, UK.

3.1 COOPERATION WITH MCL

Ten years ago, 'we speak your language' became TNH's global motto for its hotels. It was announced that TNH staff across the globe would be able to welcome, serve, and help guests in their language. To deliver on this promise, TNH analysed their customer base, identified the key languages used by guests and included sufficient language proficiency in the requirements and development plans for all customer-facing staff across the globe. MCL, which at the time was a young ambitious company, was selected as the global partner for the language classes run for all TNH staff. In the first two years, the contract with TNH comprised up to 60% of MCL's revenue. This collaboration has continued with a growing number of classes run online. These classes follow a curriculum developed specifically for TNH.

Soon after the cooperation between TNH and MCL started, the companies' leaders proposed using TNH resorts during off seasons, as language campuses for MCL's educational travel programme. This proved to be a success. The collaboration between the two companies has developed into a partnership based on trust, respect, and shared values.

3.2 DIGITIZATION

TNH explores the opportunities that are provided by developing digital technology. The company was among the first to adopt:

- online booking
- integration with booking engines and aggregators
- IoT-enabled facilities and security systems
- smart devices for guests in every hotel room
- centralized resource planning and management systems
- mobile applications for the loyalty programme.

Nonetheless, the company understands the importance of people and environment when creating a great experience for its guests. 'Technology helps us to be wonderful hosts for our guests, but it cannot replace hospitality. It is our people who create a great experience, not computers,' the TNH Chief Hospitality Officer likes to repeat.

4 IntelLearn

IntelLearn is a start-up company based in San Francisco, USA. It was founded a year ago and has grown from just three people to three offices (San Francisco, Utrecht, and Singapore), with 35 employees globally. Six months ago, IntelLearn launched two successful products:

- IntelLearn is an online learning platform, which supports multiple formats of self-paced and virtual learning. It allows users to seamlessly switch between desktop, laptop, and mobile devices. It works on all of the main platforms and operating systems, and provides a wide range of useful tools for teachers and students. The company approached many training organizations in the US and across the globe, which resulted in several contracts. The satisfaction rating of trainers and students has never dropped lower than 94%, a fact that makes the company's founders particularly proud.
- IntelLounge is a collaboration platform for virtual networking, video conferencing, webinars, and e-learning. It is a freemium product, with all of the key features available for free and business-level features requiring a subscription. The product became viral and its global adoption led to the opening of the European and Asian offices of IntelLearn. The offices are mostly focused on localization, user support, and corporate sales within their regions.

The products are cloud-based; the company has direct contracts with three major global cloud service providers.

IntelLearn is a true Silicon Valley start-up. The company uses the latest technology and management approaches. It has two key product teams working closely with the marketing team and the regional offices. Most of the supporting activities are outsourced to specialized service companies. The founders work closely with the teams and make most decisions, sharing their time between strategic business development and operations. They have managed, however, to ensure that they are never involved in coding, testing, and other software development, and management activities of the product teams.

IntelLearn's ambitious vision is 'to become the number one brand for online learning and collaboration globally by the end of next year.'

4.1 CONTACTS WITH MCL

IntelLearn approached MCL at last year's global language learning conference. The management of MCL expressed some interest in IntelLearn products. Further discussions followed from the demo session at MCL's headquarter. A trial version of the learning platform was licensed to MCL. Meanwhile, the USA and Canada office of MCL adopted the IntelLounge platform, for its internal communications and marketing webinars and was well-received by all users. However, it was not welcomed by the MCL's Information Security Officer.

5 A major risk report

Recently, significant risks of high likelihood and impact have been identified.

Environmental events of a great scale are more likely to occur than in the past. These events might affect many countries, leading to a complete or partial lockdown of the affected countries and a freeze on many business activities. Entire countries might be isolated, with travel to and from these countries prohibited. Digital connections and IT services are likely to remain fully or largely functional, with a significant increase in demand.

In these circumstances, governments of the affected countries might introduce emergency regulations that include various constraints. In some cases, financial support might be offered to the affected people and businesses. Emergency situations might last from a few days to several weeks or even months.

5.1 IMPACT ON MCL

All countries where MCL currently operates are affected by this risk. In the event of an emergency, all language centres are likely to be shut down for the entire duration of the emergency.

5.2 IMPACT ON TNH

TNH hotels are present in some of the countries that have a high probability of experiencing this risk.

Based on government emergency plans, peoples' ability to travel and commute would be limited. Some guests would be locked in hotels, there would be limited staff availability, and no new guests would be accepted during the emergency.

5.3 IMPACT ON INTELEARN

InteLearn is likely to experience significant spikes in demand for the collaboration platform in all affected countries across the globe. This might present an opportunity but could also cause capacity issues. At the same time, information security analysts suggest that there would be an increase in the number of attacks on online systems.

