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ITIL 4 Leader: Digital & IT Strategy Exam

PEOPLECERT ITIL-4-DITS

Version Demo

Total Demo Questions: 8

Total Premium Questions: 86

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Topic Break Down

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Topic 1, Demonstrate the use of the ITIL guiding principles in DITS decisions and activities	9
Topic 2, Understand how to influence and drive digital business strategy	26
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QUESTION NO: 1

An organization has to change its way of working to support a completely new way of creating its services.

What is this an example of?

A. Innovation

B. Operational technology

C. Ecosystem disruption

D. Incremental transformation

ANSWER: A

Explanation:

Innovation is correct because the scenario describes an organization adopting a fundamentally new method of creating services and consequently changing how its people, practices, processes, and technology work together. In ITIL's digital and IT strategy context, innovation is not limited to introducing a new technical component. It is the purposeful creation or adoption of new ideas, approaches, and capabilities that enable the organization to create value in a new way. A new service-creation model commonly requires changes to operating practices, skills, decision-making, funding, governance, and collaboration across the value chain.

This is strategically significant because organizations must align the changed way of working with their objectives, customer needs, risk appetite, and value proposition. Innovation therefore concerns both the new capability and the organizational change needed to make that capability viable, repeatable, and valuable. ITIL 4 emphasizes that organizations should adapt their operating model and practices to co-create value in changing environments. See the official ITIL 4 Leader: Digital and IT Strategy certification overview and the ITIL 4 service value system overview for the broader strategic and value-creation context.

QUESTION NO: 2

What should leaders of digital organizations focus on when educating shareholders about changes in strategy?

A. Ensuring that shareholders understand changes to the financial value of the organization

B. Ensuring that shareholders will be able to implement new or modified plans

C. Teaching shareholders about entrepreneurship, and the history of innovation

D. Ensuring that shareholders can continue to meet the leaders' outsourcing needs

ANSWER: A

Explanation:

Ensuring that shareholders understand changes to the financial value of the organization is correct because shareholders are owners and investors whose primary interest is the organization's ability to create, sustain, and increase value. When a digital strategy changes, leaders need to communicate the expected effect on financial performance and enterprise value, including anticipated investment needs, revenue opportunities, cost implications, risks, and the expected timing of benefits. This does not mean presenting strategy as a purely financial exercise. Rather, leaders should connect digital and IT decisions to the outcomes that matter to shareholders: continued viability, competitive strength, sustainable growth, and returns over an appropriate planning horizon. Clear communication helps shareholders understand why strategic choices are being made, how leaders will govern the associated investments and risks, and how progress toward intended value will be assessed. ITIL's Digital and IT Strategy guidance emphasizes aligning digital and IT strategy with organizational objectives, value creation, and stakeholder needs. This focus also reflects sound corporate-governance practice: investors need decision-useful information about the organization's strategy, business model, prospects, and material risks. See PeopleCert's ITIL 4 Leader: Digital and IT Strategy overview and the IFRS Management Commentary resources.

QUESTION NO: 3

Which is the BEST approach to defining a vision and a strategy in an organization with multiple specialization divisions?

A. Vision and strategy should be defined by the executive leader and communicated to the divisions

B. Vision and strategy should be defined by the governing body and communicated to the divisions' leaders

C. Vision and strategy should be defined in collaboration with the leaders of the organization and division

D. Vision and strategy should be defined in collaboration with the enterprise architects and consultants

ANSWER: C

Explanation:

"Vision and strategy should be defined in collaboration with the leaders of the organization and division" is the best approach because a multi-divisional organization needs a unifying direction while recognizing that its specialized divisions possess essential domain knowledge, customer insight, operational context, and delivery responsibilities. Collaborative definition creates shared ownership of the intended future state and the strategic choices needed to reach it. It also helps ensure that divisional priorities, capabilities, constraints, and dependencies are considered early, rather than being discovered during implementation.

In ITIL 4 Digital and IT Strategy, strategy is not merely a statement issued from the top; it must support alignment between organizational direction, governance, value creation, and execution. Engaging both organization-wide and divisional leaders enables a coherent enterprise vision while allowing strategies to be meaningful and actionable within each specialized area. This approach strengthens commitment, improves coordination across divisions, and supports consistent decisions about investment, risk, digital capabilities, and transformation priorities. ITIL 4 emphasizes value co-creation and the importance of collaborating with relevant stakeholders when making strategic decisions. See the official ITIL 4 Leader: Digital and IT Strategy certification page and the ITIL official website.

QUESTION NO: 4

An organization is introducing a digital product that will be used by customers, partners, and internal teams. The governing body wants assurance that decisions about investment, risk, and priorities remain aligned with organizational objectives.

What is the MOST appropriate role of governance?

A. Evaluate, direct, and monitor the organization's activities

B. Develop all product features and approve each release

C. Perform operational activities for the digital product

D. Resolve incidents reported by service consumers

ANSWER: A

Explanation:

Evaluate, direct, and monitor the organization's activities is correct because governance provides the means by which an organization is directed and controlled. The governing body evaluates stakeholder needs and strategic options, directs the organization through policies and decision-making, and monitors performance, conformance, value realization, and risk.

Management is responsible for planning, building, running, and improving products and services within the direction established by governance. Governance should therefore provide oversight and strategic alignment without taking over the detailed operational work of delivery teams. This distinction is important when digital investments involve multiple stakeholders, significant uncertainty, and material organizational risk. See PeopleCert ITIL certifications.

QUESTION NO: 5

Which is an example of industry disruption?

A. A service provider has launched a new app to support collaboration that is easy to use, and is popular with consumers from many markets

B. An organization transitioned a large number of its services to a cloud provider to remain competitive in their market

C. A mobile phone provider has adopted a new operating model in response to threats from the competition which has resulted in the provider becoming the market leader

D. A software provider has developed a new satellite navigation system for the self-driving car market that has become the system of choice for car manufacturers

ANSWER: D

Explanation:

“A software provider has developed a new satellite navigation system for the self-driving car market that has become the system of choice for car manufacturers” is an example of industry disruption because it introduces a distinctive value proposition into an emerging market and changes the basis on which organizations compete. Rather than merely improving an established service or responding to an existing competitor, the provider’s navigation capability enables and supports the self-driving-car ecosystem. Its subsequent adoption as the preferred system by car manufacturers demonstrates that the innovation has materially reshaped market expectations and the competitive position of incumbent navigation solutions. In ITIL 4 Digital and IT Strategy, disruption is associated with innovations that create new markets or value propositions, or significantly challenge and replace established market approaches. This example reflects both dimensions: a technology-led offering for autonomous vehicles and broad market adoption that changes the industry’s preferred solution. Digital and IT leaders should recognize such opportunities by monitoring technological developments, customer and partner ecosystems, and changing demand, then aligning strategy, investment, and capabilities to realize the new value proposition. PEOPLECERT’s certification overview describes Digital and IT Strategy as addressing the strategic impact of digital disruption: PEOPLECERT ITIL 4 Leader: Digital and IT Strategy. Further context on ITIL’s digital strategy guidance is available from ITIL.

QUESTION NO: 6

Which is a leadership skill that relates to having a digital mindset?

A. Looking at the potential of new tools to meet customer needs

B. Sharing success stories frequently to motivate others

C. Bulking a rapport with regulators and government officials

D. Measuring the success of strategic digital initiatives

ANSWER: A

Explanation:

Looking at the potential of new tools to meet customer needs is the leadership skill most directly associated with a digital mindset. Digital leaders do more than deploy technology: they remain curious about emerging capabilities and assess how those capabilities could improve customer outcomes, experience, value, or access. This requires openness to experimentation, an awareness of changing customer expectations, and the ability to connect technological opportunities with strategic and service-management objectives.

Within ITIL 4 Leader: Digital and IT Strategy, a digital mindset supports leaders in recognizing that digital technology can enable new ways of creating value. Evaluating tools through the lens of customer needs demonstrates that technology choices should be purposeful and outcome-focused, rather than driven solely by novelty or internal efficiency. It also supports ongoing adaptation, since leaders need to identify and explore relevant opportunities as markets, technologies, and stakeholder expectations evolve. This customer-centred exploration is therefore a practical expression of digital leadership. See PeopleCert’s ITIL 4 Leader: Digital and IT Strategy certification page and AXELOS ITIL guidance.

QUESTION NO: 7

Why might an organization choose to Implement an Innovation even though it does not meet its minimum requirement for "return on Investment' (ROI)?

A. The innovation is low cost

B. The innovation is essential for the a organization to survive

C. The innovation will deliver significant benefit for the organization

D. The innovation is low risk

ANSWER: C

Explanation:

The innovation will deliver significant benefit for the organization is correct because return on investment is an important financial evaluation measure, but it is not the sole determinant of whether an innovation should proceed. Digital and IT strategy decisions must assess value holistically, including benefits that may be strategic, long-term, indirect, or difficult to express as an immediate monetary return. An innovation can therefore be worthwhile where it materially advances organizational objectives, creates important stakeholder value, strengthens future capabilities, improves customer experience, or enables a strategic direction, even if its calculated return falls below a predefined financial threshold.

ITIL emphasizes value co-creation and recognizes that value is perceived differently by different stakeholders and can include outcomes beyond direct financial gain. Leaders should use an appropriate balance of financial analysis, strategic alignment, benefits realization, and risk-informed decision-making when prioritizing innovation investments. In this situation, the significant organizational benefit provides the justified basis for proceeding despite the minimum return-on-investment criterion not being achieved. See the PeopleCert ITIL certification portfolio and the ITIL best-practice overview.

QUESTION NO: 8

An organization develops and delivers a range of digital products and services.

Which is the BEST approach to addressing the risks related to digital technology?

A. Focusing on protecting the assets inside the organization

B. Accepting extra work and investing in large projects

C. Reducing the use of digital technology

D. Taking small, calculated risks that do not have a large impact

ANSWER: D

Explanation:

Taking small, calculated risks that do not have a large impact is the best approach because digital strategy requires an organization to pursue innovation and value opportunities while managing uncertainty deliberately. Digital products and services evolve in changing markets, so risk management should enable informed experimentation rather than prevent change. Small, bounded initiatives—such as pilots, prototypes, incremental releases, and time-boxed experiments—allow the organization to test assumptions, learn quickly, and adjust its direction before committing substantial resources or exposing customers and operations to major harm. “Calculated” means that decision-makers understand the possible effects, set tolerances and controls, monitor outcomes, and make explicit choices about whether to continue, adapt, or stop. This supports an appropriate balance between opportunity and protection, which is essential to digital and IT strategy. It also makes risk management an ongoing strategic capability integrated with product and service decisions, rather than a one-time compliance activity. PEOPLECERT describes the ITIL Digital and IT Strategy module as addressing how digital strategy can be shaped and implemented effectively; see PEOPLECERT ITIL Leader: Digital and IT Strategy. The broader discipline of assessing uncertainty, likelihood, and impact is also reflected in NIST SP 800-30.