ITIL Exams
ITIL-V5-Transformation
ITIL Transformation (Version 5)

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Question: 1

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.
ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.
As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.
The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.
Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.
Meet the employees of ITIL Car Rental:
Max, Chief Information Officer (CIO)
Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.
Anna, Product Manager
Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.
Maria, Business Analyst
Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.
Omar, IT Delivery Manager

Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.

Sam, Head of Product Development

Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.

Alex, Enterprise Architect

Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.

The CIO's vision for ITIL Car Rental

Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.

Governance

ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.

ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.

ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.

Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.

Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.

ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR

continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.

Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.

ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.

The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.

Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.

AI Governance

Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.

AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.

However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.

ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.

ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.

To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.

Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.

Strategy

ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.

Vision statement

"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."

This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.

Objective 1: Lead in digital customer experience

ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.

Roll out a unified global mobile platform with localized features, languages, and payment options.

Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.

Establish continuous discovery and UX improvement cycles led by product and business analysis teams.

Objective 2: Innovate in autonomous and new mobility services

ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.

Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.

Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.

Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.

Objective 3: Grow sustainably and profitably across markets

ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.

Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.

Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.

Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.

Objective 4: Embed sustainability and social responsibility

ICR intends to align its growth with environmental responsibility and evolving city and national regulations.

Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.

Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.

Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe. The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.
The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.
2. Regulatory, risk, and compliance setup
ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.
3. Technology and platform integration
ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics. During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure.

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Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.

4. Brand, customer, and stakeholder transition

A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.

5. Operating model, people, and service portfolio

ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.

Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.

Experience

Understanding user experience as a strategic imperative

ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.

Max articulated in his vision for the company that "customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives." This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.

The customer journey across digital touchpoints

The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:

Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR's digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.

Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.

Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.

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Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.

Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.

In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR's commitment to the travel experience it has promised.

Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.

Differentiation across service models

While these touchpoints are universal, their expression differs significantly across ICR's service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.

Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.

By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.

Product

ICR's Unified Mobile App: A Product Lifecycle Journey

The challenge

ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile

application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.

Discover: charting the course

The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.

Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.

The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.

Design: shaping the experience

Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.

The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.

Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.

Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.

Acquire: securing resources

With design specifications complete, the 'acquire' activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.

The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the 'build' phase began, preventing downstream delays.

Build: constructing the solution

The product development team, under Sam's oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.

Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.

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Transition: going live

Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.

Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.

Operate: maintaining excellence

With the app in live environments, the 'operate' activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.

Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.

Deliver: serving customers

The 'deliver' activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.

Customer service teams used the app's built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.

Support: resolving and learning

Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in 'support' fed back into the 'discover' and 'design' cycles, continuously refining the product.

Continual improvement

The journey from 'discover' to 'support' was not linear but cyclical. Feedback from 'support' informed new 'discover' iterations as market conditions evolved. Performance data from 'operate' fed into 'deliver' improvements. Customer insights from 'deliver' shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR's unified mobile app became more than a technical achievement. It became a reflection of the company's commitment to customers: reliable, innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world's most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

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The challenge

ITIL Car Rental's expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company's aging HR systems. The company's executive team identified modernization of HR management services as essential to support ICR's growth strategy whilst maintaining operational consistency and compliance across markets. Omar's IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive 'discover' iteration. Assessing the organizational context, the team analysed how ICR's expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

Working closely with the HR business partner and Max's office, Omar's team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting, and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed

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into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.
The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.
Acquire: securing resources
With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.
The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.
Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.
Build: constructing the solution
Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.
Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately captured. Learning management system connections ensured course assignments and certifications were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.
Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.
User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.
Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR

incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.

Transition: going live

The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.

Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.

Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.

Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.

Operate: maintaining excellence

With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.

The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was monitored, with growth projections ensuring sufficient capacity as employee counts increased. User access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.

When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.

Deliver: serving the organization

The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.

A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.

Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).
The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.
Support: resolving and learning
Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.
On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.
Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.
Continual improvement
The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced. User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.
By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.
As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.

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Please refer to the ITIL Car Rental scenario for additional context when answering this question.
ICR has just acquired a local rental company in a new European market and launched a transformation to integrate the new business. The leadership team has clarified why the transformation is needed, aligned strategic intent, and agreed on high-level outcomes with key stakeholders. However, they are unsure how to proceed from here.
According to the ITIL Transformation Model, what should they do NEXT?

A. Assess the context to understand predictability, constraints, and complexity, so that future execution choices are evidence-based
B. Select the execution pattern that best fits the nature of the integration challenge, based on the perceived level of uncertainty and risk
C. Organize the transformation into clearly prioritized activities and initiatives and, define relationships between these
D. Begin evaluating early integration activities against expectations to determine whether the chosen strategic intent and scope need to be adjusted

Answer: A

Question: 2

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.
ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.
As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.
The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.
Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see

how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.

Meet the employees of ITIL Car Rental:

Max, Chief Information Officer (CIO)

Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.

Anna, Product Manager

Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.

Maria, Business Analyst

Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.

Omar, IT Delivery Manager

Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.

Sam, Head of Product Development

Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.

Alex, Enterprise Architect

Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.

The CIO's vision for ITIL Car Rental

Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.

Governance

ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.

ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.

ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.

Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.

Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.

ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.

Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.

ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.

The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.

Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.

AI Governance

Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.

AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.

However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI

influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.

ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.

ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.

To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.

Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.

Strategy

ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.

Vision statement

"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."

This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.

Objective 1: Lead in digital customer experience

ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.

Roll out a unified global mobile platform with localized features, languages, and payment options.

Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.

Establish continuous discovery and UX improvement cycles led by product and business analysis teams.

Objective 2: Innovate in autonomous and new mobility services

ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.

Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.

Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.

Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.

Objective 3: Grow sustainably and profitably across markets

ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.
Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.
Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.
Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.
Objective 4: Embed sustainability and social responsibility
ICR intends to align its growth with environmental responsibility and evolving city and national regulations.
Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.
Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.
Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe.
The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.
The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.

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2. Regulatory, risk, and compliance setup
ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.
3. Technology and platform integration
ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics. During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure. Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.
4. Brand, customer, and stakeholder transition
A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.
5. Operating model, people, and service portfolio
ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.
Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.
Experience
Understanding user experience as a strategic imperative
ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.
Max articulated in his vision for the company that "customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives." This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.
The customer journey across digital touchpoints

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The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:

Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR's digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.

Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.

Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.

Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.

Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.

In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR's commitment to the travel experience it has promised.

Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.

Differentiation across service models

While these touchpoints are universal, their expression differs significantly across ICR's service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.

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Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.

By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.

Product

ICR's Unified Mobile App: A Product Lifecycle Journey

The challenge

ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.

Discover: charting the course

The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.

Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.

The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.

Design: shaping the experience

Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.

The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.

Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.

Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.

Acquire: securing resources

With design specifications complete, the 'acquire' activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services

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for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.
The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the 'build' phase began, preventing downstream delays.
Build: constructing the solution
The product development team, under Sam's oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.
Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.
Transition: going live
Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.
Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.
Operate: maintaining excellence
With the app in live environments, the 'operate' activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.
Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.
Deliver: serving customers
The 'deliver' activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.
Customer service teams used the app's built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.
Support: resolving and learning
Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

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More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in 'support' fed back into the 'discover' and 'design' cycles, continuously refining the product.

Continual improvement

The journey from 'discover' to 'support' was not linear but cyclical. Feedback from 'support' informed new 'discover' iterations as market conditions evolved. Performance data from 'operate' fed into 'deliver' improvements. Customer insights from 'deliver' shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR's unified mobile app became more than a technical achievement. It became a reflection of the company's commitment to customers: reliable, innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world's most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

The challenge

ITIL Car Rental's expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company's aging HR systems. The company's executive team identified modernization of HR management services as essential to support ICR's growth strategy whilst maintaining operational consistency and compliance across markets. Omar's IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive 'discover' iteration. Assessing the organizational context, the team analysed how ICR's expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

Working closely with the HR business partner and Max's office, Omar's team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting, and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.

The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.

Acquire: securing resources

With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.

The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.

Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.

Build: constructing the solution

Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.

Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately captured. Learning management system connections ensured course assignments and certifications

were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.
Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.
User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.
Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.
Transition: going live
The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.
Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.
Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.
Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.
Operate: maintaining excellence
With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.
The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was monitored, with growth projections ensuring sufficient capacity as employee counts increased. User

access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.
When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.
Deliver: serving the organization
The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.
A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.
Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).
The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.
Support: resolving and learning
Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.
On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.
Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.
Continual improvement
The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced.

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User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.
By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.
As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.
Please refer to the ITIL Car Rental scenario for additional context when answering this question.
ICR is preparing to introduce self-driving services in the newly acquired European rental company. After organizing work into major workstreams and mapping key dependencies, the transformation team has conducted an assessment and found that some initiatives are highly predictable, while others involve significant uncertainty and evolving regulatory constraints. The team now needs to choose how each initiative should be run (for example, through structured delivery, exploratory experiments, or crisis-style containment).
According to the ITIL Transformation Model, which stage of the approach will be used now?
A. Orient
B. Prepare
C. Orchestrate
D. Decide

Answer: D

Question: 3

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.
ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.

As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.

The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.

Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.

Meet the employees of ITIL Car Rental:

Max, Chief Information Officer (CIO)

Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.

Anna, Product Manager

Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.

Maria, Business Analyst

Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.

Omar, IT Delivery Manager

Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.

Sam, Head of Product Development

Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.

Alex, Enterprise Architect

Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.

The CIO's vision for ITIL Car Rental

Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering

outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.

Governance

ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.

ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.

ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.

Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.

Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.

ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.

Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.

ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.

The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.

Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.

AI Governance

Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.
AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.
However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.
ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.
ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.
To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.
Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.
Strategy
ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.
Vision statement
"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."
This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.
Objective 1: Lead in digital customer experience
ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.
Roll out a unified global mobile platform with localized features, languages, and payment options.

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Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.
Establish continuous discovery and UX improvement cycles led by product and business analysis teams.
Objective 2: Innovate in autonomous and new mobility services
ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.
Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.
Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.
Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.
Objective 3: Grow sustainably and profitably across markets
ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.
Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.
Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.
Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.
Objective 4: Embed sustainability and social responsibility
ICR intends to align its growth with environmental responsibility and evolving city and national regulations.
Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.
Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.
Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe. The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.
The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the

existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.
2. Regulatory, risk, and compliance setup
ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.
3. Technology and platform integration
ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics. During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure. Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.
4. Brand, customer, and stakeholder transition
A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.
5. Operating model, people, and service portfolio
ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.
Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective

integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.

Experience

Understanding user experience as a strategic imperative

ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.

Max articulated in his vision for the company that “customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives.” This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.

The customer journey across digital touchpoints

The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:

Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR’s digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.

Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.

Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.

Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.

Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.

In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR’s commitment to the travel experience it has promised.

Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.

Differentiation across service models

While these touchpoints are universal, their expression differs significantly across ICR’s service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect

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transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.

Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.

By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.

Product

ICR's Unified Mobile App: A Product Lifecycle Journey

The challenge

ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.

Discover: charting the course

The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.

Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.

The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.

Design: shaping the experience

Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.

The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.

Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.

Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.

Acquire: securing resources

With design specifications complete, the 'acquire' activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.

The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the 'build' phase began, preventing downstream delays.

Build: constructing the solution

The product development team, under Sam's oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.

Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.

Transition: going live

Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.

Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.

Operate: maintaining excellence

With the app in live environments, the 'operate' activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.

Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.

Deliver: serving customers

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The ‘deliver’ activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.

Customer service teams used the app’s built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.

Support: resolving and learning

Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in ‘support’ fed back into the ‘discover’ and ‘design’ cycles, continuously refining the product.

Continual improvement

The journey from ‘discover’ to ‘support’ was not linear but cyclical. Feedback from ‘support’ informed new ‘discover’ iterations as market conditions evolved. Performance data from ‘operate’ fed into ‘deliver’ improvements. Customer insights from ‘deliver’ shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR’s unified mobile app became more than a technical achievement. It became a reflection of the company’s commitment to customers: reliable, innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world’s most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

The challenge

ITIL Car Rental’s expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company’s aging HR systems. The company’s executive team identified modernization of HR management services as essential to support ICR’s growth strategy whilst maintaining operational consistency and compliance across markets. Omar’s IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive ‘discover’ iteration. Assessing the organizational context, the team analysed how ICR’s expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

Working closely with the HR business partner and Max’s office, Omar’s team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data

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protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting, and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.

The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.

Acquire: securing resources

With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.

The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.

Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.

Build: constructing the solution

Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.

Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately captured. Learning management system connections ensured course assignments and certifications were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.

Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.

User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.

Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.

Transition: going live

The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.

Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.

Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system

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performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.

Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.

Operate: maintaining excellence

With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.

The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was monitored, with growth projections ensuring sufficient capacity as employee counts increased. User access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.

When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.

Deliver: serving the organization

The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.

A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.

Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).

The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.

Support: resolving and learning

Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.

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On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.
Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.
Continual improvement
The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced. User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.
By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.
As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.
Please refer to the ITIL Car Rental scenario for additional context when answering this question.
As part of the ongoing acquisition, ICR needs to integrate the acquired company into its existing governance modal. It includes aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions.
Which approach to this part of the transformation is BEST aligned with the ITIL Transformation Model?

A. Assess which governance-related initiatives fit into the known and tested models. Apply the 'implement' execution pattern to such initiatives. For the less familiar initiatives, apply the 'discover' execution pattern.
B. Assess which governance patterns fit into the transformation context. Apply the 'discover' execution pattern to all governance-related initiatives within the transformation.
C. Assess the gaps between the current and target governance practices. Apply the 'contain' execution pattern to urgently fill the gap and ensure consistent governance.

D. Assess which governance-related initiatives fit into the known and tested models. Apply the 'discover' execution pattern to such initiatives. For the less familiar initiatives, apply the 'contain' execution pattern.

Answer: A

Question: 4

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.
ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.
As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.
The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.
Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.
Meet the employees of ITIL Car Rental:
Max, Chief Information Officer (CIO)
Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.
Anna, Product Manager
Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.
Maria, Business Analyst

Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.
Omar, IT Delivery Manager
Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.
Sam, Head of Product Development
Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.
Alex, Enterprise Architect
Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.
The CIO's vision for ITIL Car Rental
Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.
Governance
ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.
ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.
ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.
Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.
Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low

risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.

ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.

Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.

ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.

The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.

Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.

AI Governance

Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.

AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.

However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.

ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.

ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.

To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.

Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.

Strategy

ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.

Vision statement

"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."

This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.

Objective 1: Lead in digital customer experience

ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.

Roll out a unified global mobile platform with localized features, languages, and payment options.

Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.

Establish continuous discovery and UX improvement cycles led by product and business analysis teams.

Objective 2: Innovate in autonomous and new mobility services

ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.

Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.

Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.

Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.

Objective 3: Grow sustainably and profitably across markets

ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.

Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.

Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.

Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.

Objective 4: Embed sustainability and social responsibility

ICR intends to align its growth with environmental responsibility and evolving city and national regulations.

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Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.
Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.
Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe. The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.
The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.
2. Regulatory, risk, and compliance setup
ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.
3. Technology and platform integration
ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics.

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During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure. Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.

4. Brand, customer, and stakeholder transition

A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.

5. Operating model, people, and service portfolio

ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.

Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.

Experience

Understanding user experience as a strategic imperative

ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.

Max articulated in his vision for the company that "customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives." This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.

The customer journey across digital touchpoints

The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:

Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR's digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.

Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.

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Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.

Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.

Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.

In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR's commitment to the travel experience it has promised.

Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.

Differentiation across service models

While these touchpoints are universal, their expression differs significantly across ICR's service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.

Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.

By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.

Product

ICR's Unified Mobile App: A Product Lifecycle Journey

The challenge

ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.

Discover: charting the course

The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.

Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.

The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.

Design: shaping the experience

Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.

The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.

Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.

Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.

Acquire: securing resources

With design specifications complete, the 'acquire' activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.

The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the 'build' phase began, preventing downstream delays.

Build: constructing the solution

The product development team, under Sam's oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.

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Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.

Transition: going live

Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.

Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.

Operate: maintaining excellence

With the app in live environments, the 'operate' activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.

Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.

Deliver: serving customers

The 'deliver' activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.

Customer service teams used the app's built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.

Support: resolving and learning

Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in 'support' fed back into the 'discover' and 'design' cycles, continuously refining the product.

Continual improvement

The journey from 'discover' to 'support' was not linear but cyclical. Feedback from 'support' informed new 'discover' iterations as market conditions evolved. Performance data from 'operate' fed into 'deliver' improvements. Customer insights from 'deliver' shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR's unified mobile app became more than a technical achievement. It became a reflection of the company's commitment to customers: reliable,

innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world's most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

The challenge

ITIL Car Rental's expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company's aging HR systems. The company's executive team identified modernization of HR management services as essential to support ICR's growth strategy whilst maintaining operational consistency and compliance across markets. Omar's IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive 'discover' iteration. Assessing the organizational context, the team analysed how ICR's expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

Working closely with the HR business partner and Max's office, Omar's team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting, and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

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Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.

The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.

Acquire: securing resources

With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.

The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.

Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.

Build: constructing the solution

Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.

Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately captured. Learning management system connections ensured course assignments and certifications were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.

Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.

User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system

administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.

Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.

Transition: going live

The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.

Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.

Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.

Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.

Operate: maintaining excellence

With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.

The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was monitored, with growth projections ensuring sufficient capacity as employee counts increased. User access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.

When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.

Deliver: serving the organization

The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.

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A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.

Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).

The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.

Support: resolving and learning

Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.

On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.

Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.

Continual improvement

The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced. User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.

By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.

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As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.
Please refer to the ITIL Car Rental scenario for additional context when answering this question.
ICR has launched a multi-year digital modernization programme. The board is running a leadership workshop to help decide between tight centralized control or distributed autonomy for AI initiatives. They have established oversight structures, defined decision-making authority and risk boundaries, set escalation paths and reporting expectations, and determine how local teams can operate within global standards.
Which type of pattern for transformation BEST describes this activity?

A. Governance
B. Execution
C. Initiation
D. Adapt

Answer: A

Question: 5

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.
ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.
As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.
The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.

Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.

Meet the employees of ITIL Car Rental:

Max, Chief Information Officer (CIO)

Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.

Anna, Product Manager

Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.

Maria, Business Analyst

Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.

Omar, IT Delivery Manager

Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.

Sam, Head of Product Development

Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.

Alex, Enterprise Architect

Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.

The CIO's vision for ITIL Car Rental

Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.

Governance

ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.

ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across

regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.
ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.
Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.
Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.
ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.
Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.
ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.
The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.
Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.
AI Governance
Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.
AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.

However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.

ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.

ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.

To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.

Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.

Strategy

ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.

Vision statement

"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."

This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.

Objective 1: Lead in digital customer experience

ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.

Roll out a unified global mobile platform with localized features, languages, and payment options.

Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.

Establish continuous discovery and UX improvement cycles led by product and business analysis teams.

Objective 2: Innovate in autonomous and new mobility services

ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.

Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.

Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.

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Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.
Objective 3: Grow sustainably and profitably across markets
ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.
Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.
Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.
Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.
Objective 4: Embed sustainability and social responsibility
ICR intends to align its growth with environmental responsibility and evolving city and national regulations.
Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.
Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.
Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe. The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.
The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk

management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.

2. Regulatory, risk, and compliance setup

ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.

3. Technology and platform integration

ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics. During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure. Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.

4. Brand, customer, and stakeholder transition

A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.

5. Operating model, people, and service portfolio

ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.

Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.

Experience

Understanding user experience as a strategic imperative

ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.

Max articulated in his vision for the company that "customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives." This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers

interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.

The customer journey across digital touchpoints

The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:

Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR's digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.

Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.

Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.

Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.

Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.

In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR's commitment to the travel experience it has promised.

Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.

Differentiation across service models

While these touchpoints are universal, their expression differs significantly across ICR's service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

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The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.
Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.
By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.
Product
ICR's Unified Mobile App: A Product Lifecycle Journey
The challenge
ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.
Discover: charting the course
The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.
Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.
The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.
Design: shaping the experience
Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.
The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.
Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.
Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.
Acquire: securing resources

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With design specifications complete, the ‘acquire’ activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.

The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the ‘build’ phase began, preventing downstream delays.

Build: constructing the solution

The product development team, under Sam’s oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.

Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.

Transition: going live

Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.

Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.

Operate: maintaining excellence

With the app in live environments, the ‘operate’ activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.

Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.

Deliver: serving customers

The ‘deliver’ activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.

Customer service teams used the app’s built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.

Support: resolving and learning

Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local

traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in 'support' fed back into the 'discover' and 'design' cycles, continuously refining the product.

Continual improvement

The journey from 'discover' to 'support' was not linear but cyclical. Feedback from 'support' informed new 'discover' iterations as market conditions evolved. Performance data from 'operate' fed into 'deliver' improvements. Customer insights from 'deliver' shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR's unified mobile app became more than a technical achievement. It became a reflection of the company's commitment to customers: reliable, innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world's most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

The challenge

ITIL Car Rental's expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company's aging HR systems. The company's executive team identified modernization of HR management services as essential to support ICR's growth strategy whilst maintaining operational consistency and compliance across markets. Omar's IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive 'discover' iteration. Assessing the organizational context, the team analysed how ICR's expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

Working closely with the HR business partner and Max's office, Omar's team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting,

and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.

The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.

Acquire: securing resources

With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.

The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.

Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.

Build: constructing the solution

Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.

Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately

captured. Learning management system connections ensured course assignments and certifications were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.
Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.
User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.
Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.
Transition: going live
The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.
Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.
Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.
Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.
Operate: maintaining excellence
With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.
The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was

monitored, with growth projections ensuring sufficient capacity as employee counts increased. User access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.
When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.
Deliver: serving the organization
The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.
A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.
Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).
The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.
Support: resolving and learning
Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.
On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.
Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.
Continual improvement
The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into

new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced. User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.
By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.
As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.
Please refer to the ITIL Car Rental scenario for additional context when answering this question.
A few months after the board approved its sustainability strategy, ICR launched a programme to convert 40% of its fleet to Electric Vehicles (EV). Planning is complete and stakeholders aligned.
Operational teams are now coordinating across departments to build charging infrastructure, configure fleet management systems, roll out EV driver training, and update customer digital booking platforms. Some activities follow proven approaches while others require experimentation due to regulatory uncertainty.
Which type of pattern for transformation is MOST applicable to determine the correct approach for each of these delivery activities?

A. Initiation
B. Governance
C. Execution
D. Synthesize

Answer: C

Question: 6

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.

ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.
As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.
The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.
Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.
Meet the employees of ITIL Car Rental:
Max, Chief Information Officer (CIO)
Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.
Anna, Product Manager
Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.
Maria, Business Analyst
Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.
Omar, IT Delivery Manager
Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.
Sam, Head of Product Development
Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.
Alex, Enterprise Architect
Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.
The CIO's vision for ITIL Car Rental
Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years

ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.

Governance

ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.

ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.

ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.

Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.

Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.

ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.

Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.

ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.

The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.

Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support

informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.

AI Governance

Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.

AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.

However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.

ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.

ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.

To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.

Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.

Strategy

ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.

Vision statement

"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."

This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.

Objective 1: Lead in digital customer experience

ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.
Roll out a unified global mobile platform with localized features, languages, and payment options.
Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.
Establish continuous discovery and UX improvement cycles led by product and business analysis teams.
Objective 2: Innovate in autonomous and new mobility services
ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.
Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.
Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.
Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.
Objective 3: Grow sustainably and profitably across markets
ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.
Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.
Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.
Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.
Objective 4: Embed sustainability and social responsibility
ICR intends to align its growth with environmental responsibility and evolving city and national regulations.
Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.
Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.
Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe. The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.

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The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.
2. Regulatory, risk, and compliance setup
ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.
3. Technology and platform integration
ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics. During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure. Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.
4. Brand, customer, and stakeholder transition
A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.
5. Operating model, people, and service portfolio
ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive

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experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.
Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.
Experience
Understanding user experience as a strategic imperative
ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.
Max articulated in his vision for the company that “customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives.” This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.
The customer journey across digital touchpoints
The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:
Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR’s digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.
Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.
Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.
Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.
Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.
In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR’s commitment to the travel experience it has promised.
Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.
Differentiation across service models

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While these touchpoints are universal, their expression differs significantly across ICR's service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.

Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.

By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.

Product

ICR's Unified Mobile App: A Product Lifecycle Journey

The challenge

ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.

Discover: charting the course

The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.

Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.

The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across

all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.

Design: shaping the experience

Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.

The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.

Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.

Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.

Acquire: securing resources

With design specifications complete, the ‘acquire’ activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.

The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the ‘build’ phase began, preventing downstream delays.

Build: constructing the solution

The product development team, under Sam’s oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.

Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.

Transition: going live

Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.

Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.

Operate: maintaining excellence

With the app in live environments, the ‘operate’ activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.

Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.

Deliver: serving customers

The 'deliver' activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.

Customer service teams used the app's built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.

Support: resolving and learning

Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in 'support' fed back into the 'discover' and 'design' cycles, continuously refining the product.

Continual improvement

The journey from 'discover' to 'support' was not linear but cyclical. Feedback from 'support' informed new 'discover' iterations as market conditions evolved. Performance data from 'operate' fed into 'deliver' improvements. Customer insights from 'deliver' shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR's unified mobile app became more than a technical achievement. It became a reflection of the company's commitment to customers: reliable, innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world's most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

The challenge

ITIL Car Rental's expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company's aging HR systems. The company's executive team identified modernization of HR management services as essential to support ICR's growth strategy whilst maintaining operational consistency and compliance across markets. Omar's IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive 'discover' iteration. Assessing the organizational context, the team analysed how ICR's expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

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Working closely with the HR business partner and Max's office, Omar's team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting, and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.

The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.

Acquire: securing resources

With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.

The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform

and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.
Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.
Build: constructing the solution
Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.
Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately captured. Learning management system connections ensured course assignments and certifications were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.
Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.
User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.
Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.
Transition: going live
The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.
Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.

Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.

Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.

Operate: maintaining excellence

With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.

The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was monitored, with growth projections ensuring sufficient capacity as employee counts increased. User access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.

When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.

Deliver: serving the organization

The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.

A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.

Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).

The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.

Support: resolving and learning

Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the

root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.
On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.
Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.
Continual improvement
The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced. User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.
By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.
As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.
Please refer to the ITIL Car Rental scenario for additional context when answering this question.
ICR is integrating the newly acquired European rental company into its global platform. The team has already confirmed why the transformation is needed and has organized the work into clear workstreams with dependencies and sequencing.
What does ICR need to do NEXT before choosing an execution pattern?

A. Create initial plans for doing the work
B. Select the methodology to be used
C. Create detailed plans for doing the work
D. Analyse the complexity of the environment

Answer: D

Question: 7

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.
ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.
As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.
The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.
Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.
Meet the employees of ITIL Car Rental:
Max, Chief Information Officer (CIO)
Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.
Anna, Product Manager
Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.
Maria, Business Analyst
Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.
Omar, IT Delivery Manager
Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.

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Sam, Head of Product Development
Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.
Alex, Enterprise Architect
Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.
The CIO's vision for ITIL Car Rental
Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.
Governance
ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.
ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.
ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.
Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.
Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.
ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within

agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.

Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.

ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.

The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.

Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.

AI Governance

Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.

AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.

However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.

ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.

ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.

To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.

Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.

Strategy

ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.

Vision statement

"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."

This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.

Objective 1: Lead in digital customer experience

ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.

Roll out a unified global mobile platform with localized features, languages, and payment options.

Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.

Establish continuous discovery and UX improvement cycles led by product and business analysis teams.

Objective 2: Innovate in autonomous and new mobility services

ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.

Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.

Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.

Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.

Objective 3: Grow sustainably and profitably across markets

ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.

Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.

Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.

Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.

Objective 4: Embed sustainability and social responsibility

ICR intends to align its growth with environmental responsibility and evolving city and national regulations.

Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.

Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.

Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe. The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.
The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.
2. Regulatory, risk, and compliance setup
ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.
3. Technology and platform integration
ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics. During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure.

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Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.

4. Brand, customer, and stakeholder transition

A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.

5. Operating model, people, and service portfolio

ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.

Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.

Experience

Understanding user experience as a strategic imperative

ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.

Max articulated in his vision for the company that "customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives." This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.

The customer journey across digital touchpoints

The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:

Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR's digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.

Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.

Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.

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Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.

Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.

In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR's commitment to the travel experience it has promised.

Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.

Differentiation across service models

While these touchpoints are universal, their expression differs significantly across ICR's service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.

Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.

By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.

Product

ICR's Unified Mobile App: A Product Lifecycle Journey

The challenge

ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile

application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.

Discover: charting the course

The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.

Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.

The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.

Design: shaping the experience

Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.

The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.

Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.

Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.

Acquire: securing resources

With design specifications complete, the 'acquire' activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.

The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the 'build' phase began, preventing downstream delays.

Build: constructing the solution

The product development team, under Sam's oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.

Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.

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Transition: going live

Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.

Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.

Operate: maintaining excellence

With the app in live environments, the 'operate' activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.

Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.

Deliver: serving customers

The 'deliver' activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.

Customer service teams used the app's built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.

Support: resolving and learning

Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in 'support' fed back into the 'discover' and 'design' cycles, continuously refining the product.

Continual improvement

The journey from 'discover' to 'support' was not linear but cyclical. Feedback from 'support' informed new 'discover' iterations as market conditions evolved. Performance data from 'operate' fed into 'deliver' improvements. Customer insights from 'deliver' shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR's unified mobile app became more than a technical achievement. It became a reflection of the company's commitment to customers: reliable, innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world's most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

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The challenge

ITIL Car Rental's expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company's aging HR systems. The company's executive team identified modernization of HR management services as essential to support ICR's growth strategy whilst maintaining operational consistency and compliance across markets. Omar's IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive 'discover' iteration. Assessing the organizational context, the team analysed how ICR's expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

Working closely with the HR business partner and Max's office, Omar's team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting, and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed

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into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.
The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.
Acquire: securing resources
With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.
The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.
Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.
Build: constructing the solution
Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.
Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately captured. Learning management system connections ensured course assignments and certifications were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.
Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.
User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.
Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR

incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.

Transition: going live

The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.

Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.

Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.

Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.

Operate: maintaining excellence

With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.

The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was monitored, with growth projections ensuring sufficient capacity as employee counts increased. User access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.

When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.

Deliver: serving the organization

The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.

A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.

Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).
The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.
Support: resolving and learning
Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.
On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.
Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.
Continual improvement
The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced. User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.
By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.
As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.

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Please refer to the ITIL Car Rental scenario for additional context when answering this question.
ICR plans to upgrade the chatbot engine that is used for customer support chatbot engine across in all regions. A technical review shows that the new engine uses the same data formats, conversation flows, and integration points as the existing one. The vendor provides a proven migration playbook that ICR has used successfully in previous deployments. Leadership approves moving forward with a structured, step-by-step rollout using predefined activities and sequencing.
Is the CORRECT execution pattern being applied, and why?

A. Yes, the team has correctly applied the 'implement' pattern because the situation is predictable and well-understood
B. Yes, the team has correctly applied the 'discover' pattern so they can explore unknowns
C. No, the team should use the 'contain' pattern because these integrations require stabilization
D. No, the team should experiment first because the initiative requires testing alternatives

Answer: A

Question: 8

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.
ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.
As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.
The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.
Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.

Meet the employees of ITIL Car Rental:
Max, Chief Information Officer (CIO)
Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.
Anna, Product Manager
Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.
Maria, Business Analyst
Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.
Omar, IT Delivery Manager
Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.
Sam, Head of Product Development
Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.
Alex, Enterprise Architect
Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.
The CIO's vision for ITIL Car Rental
Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.
Governance
ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.
ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.
ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while

maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.

Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.

Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.

ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.

Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.

ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.

The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.

Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.

AI Governance

Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.

AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.

However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.

ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.

ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.

To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.

Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.

Strategy

ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.

Vision statement

"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."

This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.

Objective 1: Lead in digital customer experience

ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.

Roll out a unified global mobile platform with localized features, languages, and payment options.

Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.

Establish continuous discovery and UX improvement cycles led by product and business analysis teams.

Objective 2: Innovate in autonomous and new mobility services

ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.

Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.

Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.

Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.

Objective 3: Grow sustainably and profitably across markets

ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.

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Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.
Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.
Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.
Objective 4: Embed sustainability and social responsibility
ICR intends to align its growth with environmental responsibility and evolving city and national regulations.
Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.
Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.
Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe. The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.
The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.
2. Regulatory, risk, and compliance setup

ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.

3. Technology and platform integration

ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics. During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure. Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.

4. Brand, customer, and stakeholder transition

A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.

5. Operating model, people, and service portfolio

ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.

Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.

Experience

Understanding user experience as a strategic imperative

ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.

Max articulated in his vision for the company that "customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives." This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.

The customer journey across digital touchpoints

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The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:

Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR's digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.

Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.

Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.

Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.

Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.

In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR's commitment to the travel experience it has promised.

Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.

Differentiation across service models

While these touchpoints are universal, their expression differs significantly across ICR's service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.

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Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.

By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.

Product

ICR's Unified Mobile App: A Product Lifecycle Journey

The challenge

ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.

Discover: charting the course

The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.

Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.

The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.

Design: shaping the experience

Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.

The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.

Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.

Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.

Acquire: securing resources

With design specifications complete, the 'acquire' activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services

for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.
The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the 'build' phase began, preventing downstream delays.
Build: constructing the solution
The product development team, under Sam's oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.
Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.
Transition: going live
Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.
Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.
Operate: maintaining excellence
With the app in live environments, the 'operate' activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.
Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.
Deliver: serving customers
The 'deliver' activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.
Customer service teams used the app's built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.
Support: resolving and learning
Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

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More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in 'support' fed back into the 'discover' and 'design' cycles, continuously refining the product.

Continual improvement

The journey from 'discover' to 'support' was not linear but cyclical. Feedback from 'support' informed new 'discover' iterations as market conditions evolved. Performance data from 'operate' fed into 'deliver' improvements. Customer insights from 'deliver' shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR's unified mobile app became more than a technical achievement. It became a reflection of the company's commitment to customers: reliable, innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world's most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

The challenge

ITIL Car Rental's expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company's aging HR systems. The company's executive team identified modernization of HR management services as essential to support ICR's growth strategy whilst maintaining operational consistency and compliance across markets. Omar's IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive 'discover' iteration. Assessing the organizational context, the team analysed how ICR's expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

Working closely with the HR business partner and Max's office, Omar's team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting, and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.

The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.

Acquire: securing resources

With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.

The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.

Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.

Build: constructing the solution

Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.

Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately captured. Learning management system connections ensured course assignments and certifications

were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.
Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.
User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.
Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.
Transition: going live
The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.
Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.
Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.
Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.
Operate: maintaining excellence
With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.
The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was monitored, with growth projections ensuring sufficient capacity as employee counts increased. User

access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.
When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.
Deliver: serving the organization
The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.
A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.
Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).
The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.
Support: resolving and learning
Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.
On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.
Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.
Continual improvement
The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced.

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User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.
By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.
As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.
Please refer to the ITIL Car Rental scenario for additional context when answering this question.
A customer satisfaction survey reveals ICR's booking platform is not as good as systems used by competitors. The ICR solution does not have sufficient speed or availability, and it needs much better personalization and simplified checkout. The poor experience is leading to some users switching to other providers. ICR must classify this customer-driven need among initiation patterns before planning the transformation response.
Which initiation pattern BEST fits this case?

A. Reactive technology-driven change
B. Structural business change
C. Mandatory regulatory, compliance
D. Market demand

Answer: D

Question: 9

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.
ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.

As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.

The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.

Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.

Meet the employees of ITIL Car Rental:

Max, Chief Information Officer (CIO)

Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.

Anna, Product Manager

Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.

Maria, Business Analyst

Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.

Omar, IT Delivery Manager

Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.

Sam, Head of Product Development

Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.

Alex, Enterprise Architect

Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.

The CIO's vision for ITIL Car Rental

Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering

outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.

Governance

ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.

ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.

ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.

Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.

Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.

ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.

Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.

ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.

The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.

Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.

AI Governance

Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.
AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.
However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.
ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.
ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.
To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.
Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.
Strategy
ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.
Vision statement
"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."
This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.
Objective 1: Lead in digital customer experience
ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.
Roll out a unified global mobile platform with localized features, languages, and payment options.

Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.
Establish continuous discovery and UX improvement cycles led by product and business analysis teams.
Objective 2: Innovate in autonomous and new mobility services
ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.
Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.
Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.
Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.
Objective 3: Grow sustainably and profitably across markets
ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.
Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.
Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.
Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.
Objective 4: Embed sustainability and social responsibility
ICR intends to align its growth with environmental responsibility and evolving city and national regulations.
Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.
Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.
Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe. The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.
The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the

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existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.
2. Regulatory, risk, and compliance setup
ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.
3. Technology and platform integration
ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics. During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure. Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.
4. Brand, customer, and stakeholder transition
A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.
5. Operating model, people, and service portfolio
ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.
Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective

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integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.

Experience

Understanding user experience as a strategic imperative

ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.

Max articulated in his vision for the company that “customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives.” This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.

The customer journey across digital touchpoints

The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:

Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR’s digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.

Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.

Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.

Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.

Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.

In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR’s commitment to the travel experience it has promised.

Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.

Differentiation across service models

While these touchpoints are universal, their expression differs significantly across ICR’s service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect

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transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.

Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.

By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.

Product

ICR's Unified Mobile App: A Product Lifecycle Journey

The challenge

ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.

Discover: charting the course

The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.

Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.

The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.

Design: shaping the experience

Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.

The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.

Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.

Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.

Acquire: securing resources

With design specifications complete, the 'acquire' activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.

The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the 'build' phase began, preventing downstream delays.

Build: constructing the solution

The product development team, under Sam's oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.

Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.

Transition: going live

Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.

Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.

Operate: maintaining excellence

With the app in live environments, the 'operate' activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.

Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.

Deliver: serving customers

The ‘deliver’ activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.

Customer service teams used the app’s built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.

Support: resolving and learning

Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in ‘support’ fed back into the ‘discover’ and ‘design’ cycles, continuously refining the product.

Continual improvement

The journey from ‘discover’ to ‘support’ was not linear but cyclical. Feedback from ‘support’ informed new ‘discover’ iterations as market conditions evolved. Performance data from ‘operate’ fed into ‘deliver’ improvements. Customer insights from ‘deliver’ shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR’s unified mobile app became more than a technical achievement. It became a reflection of the company’s commitment to customers: reliable, innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world’s most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

The challenge

ITIL Car Rental’s expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company’s aging HR systems. The company’s executive team identified modernization of HR management services as essential to support ICR’s growth strategy whilst maintaining operational consistency and compliance across markets. Omar’s IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive ‘discover’ iteration. Assessing the organizational context, the team analysed how ICR’s expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

Working closely with the HR business partner and Max’s office, Omar’s team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data

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protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting, and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.

The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.

Acquire: securing resources

With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.

The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.

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Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.

Build: constructing the solution

Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.

Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately captured. Learning management system connections ensured course assignments and certifications were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.

Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.

User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.

Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.

Transition: going live

The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.

Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.

Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system

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performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.

Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.

Operate: maintaining excellence

With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.

The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was monitored, with growth projections ensuring sufficient capacity as employee counts increased. User access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.

When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.

Deliver: serving the organization

The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.

A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.

Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).

The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.

Support: resolving and learning

Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.

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On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.
Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.
Continual improvement
The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced. User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.
By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.
As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.
Please refer to the ITIL Car Rental scenario for additional context when answering this question.
ICR is launching a transformation to standardize processes across its regions and branches. The assessment shows high integration requirements, high stakeholder diversity, and the need for structured coordination across workstreams. Based on this, the organization applies the coordinated autonomy governance pattern.
Is coordinated autonomy the right governance pattern?

A. Yes, because high integration and diverse stakeholders require structured coordination while allowing local execution
B. Yes, because it gives complete freedom to teams without any structured oversight
C. No, the organization should use organic evolution since high structure is not required
D. No, dedicated command should be used because any cross-department work always needs centralized authority

Answer: A

Question: 10

Introduction to ITIL Car Rental
Ten years ago, ITIL Car Rental (ICR) was launched in Seattle with the aim to provide convenient and affordable rental cars to customers around the world. After a relatively short time, ICR became a globally recognized company, with a wide network of franchising partners across Europe, the US, and Asia-Pacific, with approximately 400 direct employees. In the first few years of operation, repeat business accounted for nearly a third of all reservations. Shareholders saw steady growth, and the company earned a reputation for putting customers first. ICR quickly became a model of modern mobility: fast, reliable, and profitable. Following its early success, the company expanded through mergers and acquisitions to new markets and new services, including car sharing.
ICR relies heavily on digital technology for internal operations and service delivery, using a mix of internal and external digital products. Customer-facing mobile applications are developed and run by the internal IT team. AI is increasingly used in internal and external products and services for predictive maintenance, customer support, scheduling, smart check-in and return processes, and so on.
As new competitors, such as car-sharing services, rideshare apps, and driverless cars, enter the market, customers now expect a seamless digital experience: quick bookings, app-based help, and flexible options that fit easily into their daily lives. At the same time, customers are paying more attention to companies that value social responsibility, sustainability, and environmental consciousness. These expectations are driving ICR to set clear and ambitious sustainability goals, as well as pursue further growth.
The board members strongly believe that the company's success in the years to come will be defined by innovation and the use of digital technology. For this reason, they appointed a new GIO, Max. Max was chosen for his experience in digitalization and his track record in successful, large-scale IT transformations.
Max's strong background in ITIL and ITSM indicates that he values ITIL certification, and his hiring policy reflects this. Having worked with Design Thinking, DevOps, and agile methods, he believes sustainable business requires a blended approach to digital product and service management. Max is keen to see how his team can redefine the car rental experience and ensure that ICR is the first choice for new and existing customers.
Meet the employees of ITIL Car Rental:
Max, Chief Information Officer (CIO)
Max is the new CIO. He is an experienced executive with a track record of leading digital transformations. He believes in an integrated approach to DPSM.
Anna, Product Manager
Anna has been with ITIL Car Rental for five years. She focuses on commercial success and continual B2C development. She is detail-oriented, eco-conscious, and dedicated to improving overall customer experience.
Maria, Business Analyst
Maria is a proactive communicator who ensures smooth collaboration between IT and business teams. She works mostly on discovery and planning activities, supporting continual improvement of the company's digital products. She asks a lot of questions and is great at spotting patterns and trends.
Omar, IT Delivery Manager

Omar manages ongoing service delivery. He applies ITIL practices to improve efficiency and customer satisfaction. However, Omar has had little experience with a blended or collaborative approach to product and service management.

Sam, Head of Product Development

Sam has more than 10 years of experience in leading cross-functional product teams in the domains of mobility and automotive innovation. He oversees the entire product lifecycle at ITIL Car Rental from strategic vision to delivery and ensures that customer needs, market trends, and sustainability are all in sync.

Alex, Enterprise Architect

Alex is responsible for ensuring that product design and technological strategy are aligned, sustainable, and future-proof. She provides architectural guidance across teams, works to identify systemic risks, and holds coherence in a fast-changing digital ecosystem. She is highly analytical with a strong intuition for patterns and risks.

The CIO's vision for ITIL Car Rental

Max: We live in an era of rapid change, where all companies are going through some kind of digital transformation. Service expectations have changed drastically since ITIL Car Rental was created 10 years ago. Customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives. Autonomous vehicles are the future; they will make car rental companies stand out and continue successfully. My vision is for ITIL Car Rental to pioneer this transformation and become the go-to name for car rentals worldwide. We will continue offering outstanding customer service while maintaining competitive car rental rates. After all, ITIL Car Rental is more than just a service. We are here to enhance the entire travel experience.

Governance

ITIL Car Rental has branches in other countries, some of which are franchises. Each country may have its own regulations when it comes to the services offered by ICR. Although all services are focused on enhancing the entire travel experience, different services may be subjects to different regulation. For example, car-sharing is regulated differently, and self-driving cars cannot be introduced at all in some countries.

ICR has adopted a governance approach that blends clear global direction with local autonomy, enabling the company to stay competitive in a fast-moving mobility landscape. As ICR continues to grow across regions and expand its portfolio, moving from traditional rentals to car-sharing and self-driving services, its governance structure ensures consistency, compliance, and customer-focused innovation.

ICR's approach to change is practical and adaptive. The company encourages experimentation and continual improvement as long as new ideas follow shared principles and meet regulatory expectations in each market. This balanced approach helps ICR introduce new digital features quickly while maintaining trust and reliability. The Board evaluates progress through a focused set of indicators, including commercial results, market share, innovation outcomes, cost efficiency, and customer satisfaction.

Coordinated autonomy is a key feature of ICR's governance. While the Board defines the overall vision and strategic direction, local branches and service owners have freedom in how they achieve their goals. Market leaders and service-line managers work closely to tailor solutions to regional needs, ensuring that global standards remain compatible with local realities.

Risk management reflects the diverse environments in which the company operates. Within heavily regulated domains, such as safety, traffic rules, and data protection, the company maintains a very low risk appetite and prioritizes prevention. In innovative settings, ICR accepts limited risks as long as they are identified early and controlled quickly.

ICR's operational context is constantly changing. Regulations evolve, cities introduce new environmental rules, and economic factors such as tariffs or sanctions may affect the business. To stay ahead, ICR

continuously monitors these developments and adjusts its operations accordingly. To achieve this, the company relies on fast decision-making. Local teams and product groups can act independently within agreed principles and legal boundaries, allowing ICR to respond to customer needs and regulatory changes without delays.

Compliance is an essential pillar of the governance model. Because requirements vary widely by region and service type, compliance responsibilities are distributed across the organization. Internal audit provides central oversight to ensure consistency and coherence using digital systems to standardize reporting and track evidence.

ICR also serves a wide variety of stakeholders, ranging from city authorities to business clients and service partners. Their expectations differ by region, engagement approaches are adapted to local circumstances while staying aligned with ICR's values and commitments.

The company's global reach demands broad governance oversight. Digital systems and processes are shared internationally but are tailored to each country's regulations, customer behaviour, and available services. This combination helps ICR operate as a unified global brand while remaining locally relevant.

Overall, ICR's governance capabilities are well-established. Accountability is clear at board level, with defined responsibilities for central and local leaders. Regular audits and strong analytical tools support informed decision-making. As the company expands into new markets and introduces new mobility solutions, this governance foundation enables the company to grow responsibly, innovate confidently, and maintain a high standard of service for customers worldwide.

AI Governance

Artificial Intelligence (AI) is increasingly embedded in ITIL Car Rental's digital products and services. AI is used to support predictive maintenance, customer support, analytics, scheduling, and smart check-in and return processes. As ICR expands its service portfolio and geographic footprint, AI is expected to play a larger role in operational decision-making, customer experience, and service optimization.

AI adoption creates new opportunities for ICR. AI-driven analytics can improve fleet utilization, sustainability performance, and cost efficiency. AI-enabled customer interaction can enhance responsiveness and personalization across markets. Automation and coordination capabilities can accelerate operational decisions and improve service reliability. These opportunities align with ICR's strategic focus on digital experience, innovation, and sustainable growth.

However, AI also introduces governance challenges. AI systems can act autonomously, operate at high speed, and learn over time, which challenges traditional approval-based decision structures. Risks related to explainability, bias, data protection, regulatory compliance, and accountability increase as AI influences customer-facing and safety-critical services. Differences in national regulation further complicate AI deployment across regions.

ICR's governance model combines clear global direction with local autonomy. The Board defines strategic objectives, risk appetite, and global principles, while local branches and service owners have flexibility in how they achieve outcomes within regulatory and legal boundaries. This governance pattern enables experimentation and innovation while maintaining compliance, consistency, and accountability.

ICR's existing governance both enables and constrains AI adoption. Strong compliance, audit, and risk management practices support trust and regulatory alignment but may slow adoption if applied too rigidly. Local autonomy supports innovation but requires stronger coordination to avoid fragmentation of AI practices and inconsistent customer experience.

To address this, ICR is evolving its governance approach to AI. AI use cases are being classified by risk and impact, with governance intensity matched accordingly. Lower-risk AI solutions are enabled through local experimentation, while higher-risk applications require stronger oversight, clear accountability, explainability, and human-in-the-loop controls. Internal audit and reporting mechanisms are being extended to include AI-specific evidence and monitoring.

Through this approach, ICR aims to enable responsible AI adoption that supports innovation, maintains trust, and aligns AI-enabled decisions with business objectives, regulatory requirements, and customer expectations.

Strategy

ICR's strategy centres on pioneering digital, sustainable mobility while growing globally and maintaining strong local responsiveness.

Vision statement

"To be the world's most trusted and innovative mobility partner, using digital technology and sustainable practices to enhance every journey for customers, wherever they travel."

This vision is realized through ICR's strategy, which combines innovation, sustainability, a focus on customer experience, and sustainable growth. The company's strategic direction has been transformed by the executive team into five strategic objectives, approved by the Board of Directors. Each objective has been further detailed into strategic initiatives. To implement these initiatives, many ICR teams will have to work together, involving external suppliers where additional resources and competencies are needed.

Objective 1: Lead in digital customer experience

ICR aims to offer a seamless, app-first experience that makes renting, sharing, and returning vehicles effortless across all markets.

Roll out a unified global mobile platform with localized features, languages, and payment options.

Embed AI-driven capabilities such as predictive maintenance, smart check-in/return, and proactive support into all core services.

Establish continuous discovery and UX improvement cycles led by product and business analysis teams.

Objective 2: Innovate in autonomous and new mobility services

ICR wants to be an early and trusted provider of self-driving and car-sharing services where regulations allow, integrating them into its mainstream portfolio.

Launch regulated pilots for self-driving and car-sharing services in priority markets, starting with the US and expanding to EU and other markets.

Build a standardized service design and safety framework for autonomous services, aligned with local laws and ICR's low risk appetite in safety and data protection.

Create joint innovation programmes between product, architecture, and operations to scale successful pilots globally.

Objective 3: Grow sustainably and profitably across markets

ICR seeks to expand through franchising, mergers, and acquisitions while maintaining strong financial performance and customer loyalty.

Maintain an up-to-date integration playbook covering governance, branding, systems, and supplier relationships for new acquisitions.

Implement market- and service-level performance dashboards tracking revenue, market share, innovation progress, and customer satisfaction.

Optimize fleet and cost structures using analytics to balance utilization, pricing, and sustainability targets.

Objective 4: Embed sustainability and social responsibility

ICR intends to align its growth with environmental responsibility and evolving city and national regulations.

Define clear sustainability targets (such as fleet emissions profile, use of EVs, or eco-options in the app) and report progress regularly.

Cooperate with cities and regulators to adapt services to local environmental rules, parking policies, and low-emission zones.

Design service offerings that reward sustainable choices, such as greener vehicle options or smarter routing.
Objective 5: Strengthen governance, risk, and capabilities
ICR will maintain robust governance while allowing local autonomy, ensuring decisions are fast, compliant, and data-informed.
Clarify and document global and local decision rights, principles, and escalation paths for all service lines.
Enhance internal audit, compliance monitoring, and digital evidence-tracking across all countries and franchises.
Invest in skills and certifications (ITIL, DevOps, data governance) for key roles such as CIO and office, product, delivery, and architecture. managers to support continual transformation.
Transformation
ICR always looks for opportunities to expand the business to new markets. As part of this strategy, the company agreed an acquisition of a local rental company in a small, fast-developing country in Europe. The company being acquired has an established customer base and reputation in its home country. It is known in neighbouring countries, though it does not have branches in them.
The government of the country where the company is based just passed a regulation approving use of self-diving vehicles, and ICR is keen to be the first provider of such a service in the region.
The acquired company needs to be integrated into the ICR governance and management structure and information systems, including internal and customer-facing systems. The objective is to retain the existing customer base, provide reassurance that the acquisition will improve (rather than worsen) the quality of familiar rental services, and introduce new service lines (car-sharing, self-driving cars).
The Board of Directors expects the integration to be completed within three months (including branding, information systems, governance, people, and relationships with local suppliers).
ICR identified five transformational initiatives that need to be completed to fulfil the transformation:
1. Governance and structure integration
ICR needs to integrate the acquired company into its existing governance model by aligning the local board reporting lines, decision rights, and accountability with ICR's global principles, while preserving a high degree of local autonomy for market- and service-specific decisions. This includes defining how the local management team participates in ICR's governance forums and how global policies, such as risk management and sustainability, are applied in the new country. ICR has gone through this many times and has an established playbook for governance and management integration, which proved to be effective during previous acquisitions.
2. Regulatory, risk, and compliance setup
ICR must establish a comprehensive regulatory and compliance framework for the new market, with particular emphasis on the newly approved self-driving vehicle regulation and existing rules for rental and car-sharing services. This initiative should set up local controls and escalation paths consistent with ICR's low risk appetite in safety, data protection, and traffic law. These controls and paths should be supported by internal audit oversight and appropriate reporting mechanisms. The company also has extensive experience in this area; however, every new country introduces new challenges which sometimes need to be addressed quickly.
3. Technology and platform integration
ICR needs to migrate or integrate the acquired company's systems into its global digital ecosystem, including customer-facing apps, booking platforms, fleet and maintenance systems, and analytics. During the transition period, ICR must ensure continuity of service for existing customers. AI-enabled capabilities such as predictive maintenance, smart check-in/return, and customer support should be progressively rolled out to the new operation, aligning with local regulations and infrastructure.

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Although the existing technology solutions of the acquired company were briefly assessed before the acquisition, there is a lot to explore, and the technology team should be ready for surprises.

4. Brand, customer, and stakeholder transition

A coordinated rebranding and customer communication programme is required to transition the local brand to ICR within three months. This communication should clearly explain that familiar services will be maintained or improved and that new options like car-sharing and self-driving services will be introduced. In parallel, ICR should engage proactively with local authorities, business customers, partners, and suppliers to reinforce trust, clarity expectations, and position ICR as an innovative yet reliable mobility provider in the region. ICR has a playbook for such campaigns, but for it to be effective, detailed information about the customers, their expectations, and the ongoing relationships is needed.

5. Operating model, people, and service portfolio

ICR should redesign the local operating model to match its global standards, including roles, responsibilities, and performance metrics, while retaining local knowledge and relationships that underpin the acquired company's reputation. As part of this, the service portfolio in the new country should be structured to cover traditional rental, car-sharing, and self-driving services under a unified framework, with clear service ownership, targets for commercial performance and customer satisfaction, and mechanisms for rapid local decision-making. Although ICR has a large and positive experience of adapting the operating models of acquired companies, introduction of the self-driving cars to a new market is a new and challenging task.

Together, these transformation efforts should allow ICR to enter the new region as a trusted, forward-looking mobility partner. Supported by strong governance, modern technology, and an effective integration approach, ICR is well positioned to deliver a reliable, future-ready travel experience to customers in its newest market.

Experience

Understanding user experience as a strategic imperative

ICR recognizes that achieving a sustainable competitive advantage in modern mobility depends fundamentally on delivering exceptional user experience.

Max articulated in his vision for the company that "customers want seamless and immediate access to rental services from their smartphones, as well as innovation as part of their daily lives." This expectation applies not only to traditional car rental services but extends across the expanding portfolio of car-sharing and driverless tax offerings. The digital applications and web interfaces that customers interact with have become the primary touchpoints for the ICR brand, making digital experience inseparable from overall business success.

The customer journey across digital touchpoints

The user journey with ICR spans multiple critical steps, each mediated through digital applications and interfaces:

Discovery and search begin when prospective customers evaluate their mobility options. Here, ICR's digital presence must clearly communicate availability, pricing transparency, and service advantages over competitors, whether customers are considering traditional car rental, flexible car-sharing, or autonomous ride options.

Registration and onboarding follow as users create profiles and establish trust with the platform. At this point they share their personal data, driving licence, and financial details with ICR. This makes this step particularly important for building trust and capturing customer preferences that will enhance future interactions.

Selection and booking require intuitive navigation and clear presentation of options. The digital interface must accommodate the different decision-making patterns across the three service modes: the planning-focused car rental customer, the spontaneous car-sharing user, and the on-demand autonomous ride passenger.

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Payment processing must inspire confidence while remaining frictionless. Secure, flexible payment options that adapt to different service models strengthen customer trust and reduce transaction abandonment. This is a sensitive aspect of service interactions, as car rental users are often worried about unexpected security deposits, additional charges and costly insurance. Although this part of user journey often seems to be less important than the core service utility, it may have a significant and sometimes damaging impact on the overall experience.

Check-in and vehicle access have evolved significantly with smart technologies. Digital applications now provide seamless vehicle access, reduced friction at pick-up, and immediate problem resolution when complications arise.

In-journey support enables customers to address questions or concerns in real time. Whether requesting roadside assistance, reporting issues, or seeking clarification, rapid response through integrated digital channels demonstrates the ICR's commitment to the travel experience it has promised.

Check-out and feedback close the transaction but open an opportunity for continual improvement. Digital interfaces capture usage data, soliciting feedback that informs service enhancements.

Differentiation across service models

While these touchpoints are universal, their expression differs significantly across ICR's service offerings. Traditional car rental customers typically plan ahead, expecting detailed vehicle information and insurance clarity through structured booking flows. Car-sharing users demand spontaneity and simplicity, prioritizing booking speed and lock/unlock mechanisms. Driverless taxi passengers expect transparency about autonomous capabilities, safety systems, and real-time trip information without the complexity of vehicle selection.

Capturing, analysing, and improving user experience

Recognizing that understanding is a prerequisite to improvement, ICR has embedded experience measurement into the digital ecosystem. ICR applications capture behavioural data (interaction patterns, abandonment points, feature usage, and satisfaction signals), providing teams with rich insight into the customer journey and occurring points of friction.

This data flows into structured analysis processes. Maria, the Business Analyst, uses AI to identify patterns and trends that highlight experience bottlenecks and opportunities. Cross-functional collaboration between Anna's product management, Sam's product development oversight, and Omar's service delivery team ensures that insights translate into rapid and noticeable improvements.

The teams employ both quantitative metrics (completion rates, task duration, error frequency) and qualitative feedback mechanisms. Customer surveys, user testing sessions, and support interaction analysis combine with operational data to paint a complete picture of experience quality.

Improvement cycles operate continuously, enabled by the ICR's commitment to the end-to-end product and service lifecycle management and iterative development. The service enhancements are tested incrementally, which allows the teams to measure their impact and iterate rapidly. This approach ensures that ICR remains responsive to evolving customer expectations while maintaining the reliability and service quality that have defined the company's reputation.

By treating user experience as both a strategic priority and an operational discipline, ICR ensures that the company's digital services serve their essential purpose: enabling customers to access mobility solutions effortlessly, building loyalty through consistent excellence, and positioning ICR as the thoughtful choice in an increasingly competitive and technologically sophisticated market.

Product

ICR's Unified Mobile App: A Product Lifecycle Journey

The challenge

ITIL Car Rental's vision for digital transformation demanded a bold move: consolidating traditional car rental, car-sharing, and emerging autonomous vehicle services into a single, seamless mobile

application. This unified platform would serve millions of customers globally while adapting to diverse regulatory environments and local market conditions. The product team (led by Sam and guided by Anna's product management expertise, Maria's business analysis insight, and Alex's architectural know-how) embarked on a comprehensive product lifecycle journey.

Discover: charting the course

The team began by analysing the business context using the PESTLE method. Regulatory changes permitting autonomous vehicles in several markets, shifting customer expectations towards mobile-first experiences, and competitive pressures from ride-sharing services created both urgency and opportunity.

Sam convened discovery sessions with stakeholders across the organization. Market analysis revealed fragmented customer expectations: traditional renters wanted clarity and planning capability; car-sharing users demanded spontaneity and speed; autonomous rice passengers expected transparency and trust. Maria identified critical patterns in user behaviour across regions, while Alex assessed the architectural implications of managing three distinct service models within a single platform.

The team agreed strategic direction: create one app that intelligently presents rental, sharing, and autonomous options based on user context and local regulations. This vision was communicated across all product teams, establishing alignment and guiding subsequent activities. Investment in the initiative was secured, with clear timelines and resource commitments.

Design: shaping the experience

Service design workshops brought together user research, human-centred design principles, and regulatory requirements. Anna led a detailed analysis of the customer journey across all three service models, identifying touchpoints, decision moments, and friction points.

The design iterations incorporated feedback from early user testing. The team prototyped distinct user flows: a structured booking experience for renters planning days ahead; a rapid-access interface for car sharing users; and a transparent, safety-focused experience for autonomous ride passengers.

Meanwhile, Alex developed target architecture blueprints ensuring that different service models could scale independently while sharing core infrastructure for authentication, payment, and support.

Design specifications documented user interface, service interactions and operational requirements. The team designed for continuous improvement: metrics, feedback mechanisms, and analytics touchpoints were embedded into the design from the outset.

Acquire: securing resources

With design specifications complete, the 'acquire' activity identified the required resources. Cloud infrastructure capable of handling peak demand across multiple regions; AI/machine learning services for predictive maintenance and smart routing; payment processing services compliant with regulations in each market; map and navigation services adapted to local conditions.

The team assessed sourcing options, negotiating contracts with multiple cloud providers and service partners. Procurement was coordinated carefully to ensure integration readiness. Resource availability was confirmed before the 'build' phase began, preventing downstream delays.

Build: constructing the solution

The product development team, under Sam's oversight, executed a phased build approach. The core app framework was developed first, establishing shared foundations for authentication, payment processing, and support channels. Feature teams then implemented the rental, sharing, and autonomous service modules in parallel, maintaining integration points and shared design patterns.

Rigorous testing occurred throughout. Service validation teams ensured the app functioned flawlessly across devices, network conditions, and geographic regions. Integration testing verified that switching between service models felt seamless. Security testing confirmed compliance with data protection requirements in each market. Supporting documentation, including user guides, service manuals, and operational runbooks, was developed alongside the software.

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Transition: going live

Before full launch, the team executed a carefully staged transition strategy. Soft launches in select markets allowed real users to interact with the new experience under controlled conditions. Omar, the IT Delivery Manager, coordinated the operational handover, ensuring monitoring systems captured live performance data and incident response procedures were operational.

Supplier onboarding was critical: map service providers, payment processors, and cloud infrastructure teams needed to understand their roles in the live environment. Customer communication emphasized that familiar services would be enhanced, not disrupted. The team monitored the transition closely, ready to address any issues.

Operate: maintaining excellence

With the app in live environments, the 'operate' activity ensured continuous, reliable performance. Infrastructure monitoring tracked application health, system performance, and availability across regions. The team managed routine updates, security patches, and scaling adjustments responding to demand fluctuations.

Automated systems monitored performance metrics: response times, transaction completion rates, error frequencies. When deviations appeared, such as unusual latency in a particular region or unexpected payment processing delays, alerts triggered investigation and rapid response.

Deliver: serving customers

The 'deliver' activity brought the product to life for customers. Service delivery teams ensured seamless onboarding to new users, providing multiple languages, localized payment options, and support channels adapted to each market. Service level agreements committed to fast booking, reliable vehicle access, and responsive support.

Customer service teams used the app's built-in support features (in-app chat, knowledge bases, and contextual help) to address questions. Anna monitored service quality metrics and customer satisfaction indicators religiously. Usage patterns revealed which features resonated, where users abandoned workflows, and which regions had distinct preferences.

Support: resolving and learning

Despite meticulous planning, incidents occurred. A payment processing outage in one market triggered rapid incident response: the support team engaged customers, offered alternatives, and restored service within hours. When an unexpected interaction between autonomous ride features and local traffic regulations created user confusion, the team diagnosed the issue, implemented a fix, and deployed it to users within days.

More importantly, each incident triggered investigation. Why did it happen? What signals did we miss? How do we prevent recurrence? Post-mortem reviews informed improvements to both the app and the operational processes. Issues discovered in 'support' fed back into the 'discover' and 'design' cycles, continuously refining the product.

Continual improvement

The journey from 'discover' to 'support' was not linear but cyclical. Feedback from 'support' informed new 'discover' iterations as market conditions evolved. Performance data from 'operate' fed into 'deliver' improvements. Customer insights from 'deliver' shaped strategic decisions about feature prioritization and regional adaptations.

By embedding DPSM practices throughout this lifecycle, ICR's unified mobile app became more than a technical achievement. It became a reflection of the company's commitment to customers: reliable, innovative, responsive to local needs, and continuously improving. As Max envisioned, ITIL Car Rental had taken a bold step toward being the world's most trusted mobility partner, delivering the vision through every customer interaction, every design decision, and every operational moment.

Service

Implementing a global HR management service: an internal service lifecycle

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The challenge

ITIL Car Rental's expansion across multiple regions and service lines created mounting complexity in workforce management. Different legal entities, varying employment regulations, localized payroll requirements, and regulatory compliance across jurisdictions had strained the company's aging HR systems. The company's executive team identified modernization of HR management services as essential to support ICR's growth strategy whilst maintaining operational consistency and compliance across markets. Omar's IT delivery team took ownership of implementing a new vendor-supplied HR management system, a solution that would run on ICR servers, integrate seamlessly with existing internal systems, and serve thousands of employees and contractors across dozens of countries.

Discover: understanding the landscape

The team began by organizing a comprehensive 'discover' iteration. Assessing the organizational context, the team analysed how ICR's expansion strategy, new regulatory requirements in different markets, evolving workplace expectations, and the growing complexity of managing multiple legal entities across regions created both pressure and opportunity for modernization.

Working closely with the HR business partner and Max's office, Omar's team gathered requirements from across the organization: HR representatives and business managers in each country, payroll departments, compliance officers, finance teams managing workforce costs, and executives overseeing the talent strategy. The discovery revealed critical patterns. European operations faced strict data protection and employment law requirements. Asia-Pacific branches needed sophisticated multi-currency payroll capabilities. The US and Canadian operations required integration with complex benefits administration systems. Every region needed consistency in talent management and performance tracking, yet each had distinct regulatory demands.

A business analyst from Omar's team documented these needs systematically, whilst Alex, the Enterprise Architect, assessed the technical implications of supporting multiple legal entities, integrating with existing systems (payroll, finance, learning management, employee engagement platforms), and ensuring data security and regulatory compliance. The vendor's product roadmap was evaluated against ICR's requirements, revealing both strong alignment and specific gaps requiring customization.

The team agreed on a clear direction: implement a core HR platform from a reputable software vendor as the system of record for employee master data, organizational structure, and talent management across all regions, while integrating specialized capabilities for payroll, benefits, compliance reporting, and data protection. Investment was secured with realistic timelines accounting for the complexity of multi-region deployment, and a formal steering committee was established to guide implementation.

Design: defining the solution

With requirements agreed, Omar's team began detailed design activities. Service design workshops brought together local HR representatives, payroll specialists, compliance officers, and technology architects. The team mapped existing HR processes in each region, identifying which would be standardized globally and which would require local customization.

Design workshops revealed critical service interactions. HR teams needed intuitive interfaces for managing recruitment, onboarding, performance management, and learning across different employment models. Employees required easy access to personal information, benefits enrolment, and career development features. Payroll teams needed reliable data integration with local accounting systems and regulatory reporting tools. Compliance officers required audit trails, secure data management, and reporting to meet legal obligations in each jurisdiction.

Alex developed detailed integration architecture, specifying how the HR system would communicate with existing payroll, finance, learning management, and employee engagement platforms. Data flows were mapped, ensuring that changes in one system were reliably distributed to dependent systems without manual intervention or data errors. Security and data protection requirements were designed

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into every integration point; this was particularly critical given GDPR, CCPA, and local data residency requirements. Data migration became one of the key design points.
The team designed a phased deployment approach: implementation across ICR headquarters first, then staged rollout to major regional clusters, enabling learning and refinement before full global deployment. Supporting documentation, such as user guides for different roles, migration playbooks, and integration manuals, was planned in detail.
Acquire: securing resources
With design specifications complete, Omar's team identified required resources. The vendor's licensing model (supporting anticipated growth); implementation consultant expertise (to guide customization and deployment); cloud infrastructure capacity for testing and staging environments; integration middleware (to connect the new HR system with existing enterprise systems); and data migration tools were all specified.
The 'acquire' activity involved careful sourcing decisions. The vendor partnership was formalized, establishing support levels (the vendor providing third-line support, with first-line and specialist support to be provided by Omar's team). External systems integrators with expertise in the vendor's platform and multi-region HR implementations were evaluated and contracted. Cloud infrastructure capacity was procured, allowing for future growth. Service agreements included service level commitments and compliance obligations aligned with ICR's governance standards.
Resources were also identified internally: team members who would receive specialized training to support the system; members of Omar's operations team who would provide day-to-day administration; security and compliance specialists to oversee implementation controls. Procurement was coordinated to ensure availability ahead of the 'build' phase.
Build: constructing the solution
Omar's team established an implementation program, structured as a series of building activities. First, the core HR system was configured to match ICR's organizational structure, employment classifications, and role hierarchies. Configuration activities addressed fundamental requirements: multi-legal entity support, multi-language and multi-currency capabilities, and foundational data structures.
Parallel to core configuration, integration development began. The team, supported by the vendor and a vendor's consulting partner, configured data flows from the HR system to payroll systems, ensuring employee changes (salary adjustments, location changes, benefits modifications) flowed reliably to payroll processing. Integration with the finance system ensured workforce costs were accurately captured. Learning management system connections ensured course assignments and certifications were synchronized. Security and compliance controls were embedded throughout, including audit logging, data encryption, access controls, and automated reporting for regulatory requirements.
Extensive testing occurred throughout the 'build' phase. Functional testing verified that each configuration matched requirements. Integration testing validated that data flowed correctly between systems without errors or data loss. Security testing confirmed that sensitive personal data was protected and that access controls functioned as designed. Business process testing involved HR teams walking through common scenarios (such as hiring a new employee, transferring someone to a different country, or managing a separation), ensuring the system supported the complete workflow.
User acceptance testing engaged representatives from different regions and roles. HR teams in Germany tested GDPR compliance features. Payroll teams in multiple countries verified that their specific regulatory requirements were met. Local compliance officers confirmed that reporting would support local legal obligations. Supporting documentation, such as operational runbooks for system administration, user guides tailored to different roles, and troubleshooting guides, was developed and reviewed.
Apart from the HR teams, selected users from all affected teams were involved, testing the interfaces and workflows for requesting leave, conducting assessments, reserving training, of reporting HR

incidents. These tests revealed the need for end-user training and onboarding during the new service roll-out. Transition plans were updated to allow time for this.

Transition: going live

The team carefully prepared a transition strategy. Headquarters implementation was planned first, serving as a dress rehearsal. A parallel run, with both old and new systems operating simultaneously, was conducted for three weeks, allowing both systems to process payroll and generate reports for comparison. The payroll teams validated that the new system calculated amounts identically to the legacy system, detecting and resolving discrepancies before they affected employees.

Omar coordinated the preparation activities. User training was delivered to HR teams, payroll specialists, managers, and employees. Help desks were staffed and trained. Communication plans explained the transition to all users, emphasizing continuity of services and highlighting new capabilities. Vendor support teams were onboarded, understanding their roles during the transition period. Data migration, which involved extracting employee master data from legacy systems, cleansing it, loading it into the new system, and validating completeness and accuracy, was carefully orchestrated and verified.

Transition day at headquarters was carefully planned. The legacy system was frozen at a specific point, a final data extract was taken, loaded into the new system, and system access was switched over. The team remained staffed throughout the transition and into the following week, monitoring system performance closely, responding to questions, and resolving issues. Incident response procedures were in place, with escalation paths to the vendor's support team available if needed.

Following successful headquarters transition, the team planned regional deployments. Each regional cluster (Europe, Asia-Pacific, Americas) had a transition period, with lessons from earlier transitions incorporated and local considerations addressed. The staggered approach allowed the central team to support each region and enabled best practices to propagate from early transitions to later ones.

Operate: maintaining excellence

With the system live across regions, Omar's team shifted focus to reliable operations. Infrastructure monitoring tracked system health, performance, and availability across all deployment sites. Automated health checks, such as database integrity tests, integration validation, and backup verification, ran daily, alerting the team to any deviations from expected operation.

The team established routine operational activities: security patches supplied by the vendor were tested in staging environments, then deployed to production overnight. Data backups were performed daily, with regular restoration tests confirming that recovery was possible. System performance was monitored, with growth projections ensuring sufficient capacity as employee counts increased. User access was reviewed every week, ensuring that accounts of employees that had left the company were promptly deactivated and that role changes were reflected in system permissions.

When issues appeared, monitoring detected these deviations and triggered investigation. The team maintained a problem backlog, working with the vendor to address underlying issues and implementing fixes or workarounds as appropriate.

Deliver: serving the organization

The 'deliver' activity brought the HR system into daily organizational use. Omar's team established service level commitments: HR teams would have to access to the system 99.5% of the time; user support queries would be acknowledged within four hours; critical issues affecting payroll or compliance would be resolved within eight hours. The team was constrained by the respective commitments of the vendor and, although in many cases a higher service level was provided, it could not be formally committed to.

A first-line support team knowledgeable about ICR's specific configuration and trained on common issues responded to user questions. A knowledge base captured solutions to frequent issues, enabling self-service support. Employees received training on using the service: how to access their information, update personal details, enrol in benefits, and request time off through the HR portal.

Delivery included routine service actions: onboarding new employees to the system (ensuring they were created with appropriate access and initial data); offboarding departing employees (deactivating access, generating final pay calculations, archiving records); managing organizational changes (updating reporting structures when teams were reorganized); conducting benefits enrolment campaigns (ensuring employees could select and modify coverage).
The team monitored delivery metrics carefully: system availability, user satisfaction (gathered through surveys), processing timeliness (time from employee action to system reflection), and error rates (incorrect calculations, missing data). Service level reporting informed ongoing improvements and triggered escalations if service quality threatened to fall below the agreed level.
Support: resolving and learning
Despite robust operational procedures, incidents occurred. A payroll integration process failed one month due to an unexpected data format in the finance system, causing a four-hour delay in the payroll. The support team immediately engaged payroll managers, communicating the issue and estimated resolution time. The technical team worked with the finance team and the vendor to understand the root cause, developed a fix to handle the unexpected data format, implemented the fix, reran the integration process, and verified accuracy. By the end of the day, normal payroll processing resumed.
On another occasion, a regional compliance officer discovered that a localized tax calculation in one country was producing results that didn't align with current regulations. The incident was escalated to the vendor's specialist support team. Together, they analysed the regulation change, determined that a configuration parameter needed adjustment, updated the system, revalidated historical calculations, and rolled forward with correct calculations prospectively.
Each incident triggered a post-mortem review, where the support team asked: why did the issue occur? Were there warning signs we missed? How do we prevent recurrence? Findings from post-mortems informed improvements to configuration, integration design, monitoring, documentation, and training. Particularly significant improvements, such as enhanced validation of finance system data before processing payroll, were incorporated into the 'discover' and 'design' phases to shape future improvements.
Continual improvement
The journey from 'discover' to 'support' was cyclical. Feedback from 'support', including new issues and lessons learned, informed new 'discover' iterations as regulations evolved, ICR's business expanded into new markets, or new compliance requirements emerged. Performance data from 'operate' informed design improvements when system bottlenecks were identified or user experience could be enhanced. User feedback from 'deliver', captured through surveys and support interactions, shaped priorities for new features and refinements. When HR teams requested better reporting capabilities to support talent analytics, this feedback was captured, evaluated during 'discover' activities, and prioritized in design cycles.
By embedding DPSM practices throughout this lifecycle, Omar's team transformed HR management at ITIL Car Rental. What had been a patchwork of legacy systems and manual processes became a unified, reliable platform supporting the company's global growth. Compliance risks were reduced through automation and audit trails. HR teams gained visibility into workforce data and could respond quickly to business needs. Employees had instant access to their information and could manage their own preferences. The system provided a foundation for HR analytics, enabling data-driven decisions about talent, compensation, and organizational structure.
As Max envisioned, ICR's transformation extended beyond customer-facing products to the internal systems and processes that enabled the company to operate effectively. By treating internal HR services with the same rigor and discipline as external products, Omar's team ensured that ITIL Car Rental's greatest asset, its people, were supported by systems as reliable, responsive, and capable as the mobility services ICR offered to customers worldwide.

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Please refer to the ITIL Car Rental scenario for additional context when answering this question.
ICR started to integrate a newly acquired company's maintenance system into its global AI predictive-maintenance platform. The first migration triggered widespread failures. Maintenance alerts stopped being generated, vehicles could not be assigned, and branches lost booking capabilities. The impact spread rapidly across regions. The team immediately halted integration and focused solely on restoring basic system stability before conducting any root cause analysis or planning next steps.
Is the execution pattern applied in this situation appropriate?

A. Yes, discover is appropriate to probe the uncertain system behaviour through small experiments before attempting full restoration
B. Yes, contain is appropriate for crisis situations requiring immediate action to stop damage spread when no time exists for experiments or detailed analysis
C. No, discover should be used as this complex integration represents an uncertain environment needing safe-to-fail experiments to understand cause-effect relationships
D. No, implement should be used since migration activities follow known procedures with predictable cause-effect relationships

Answer: B

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