

# GLOSSARY

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## absorptive capacity

An organization's ability to recognize the value of new information, embed it into an existing knowledge system, and apply it to achieve the intended business outcomes.

## business case

A justification for the expenditure of organizational resources, providing information about costs, benefits, options, risks, and issues.

## business model

A formal description of how an organization should be configured to create value for customers based on its strategy.

## business strategy

How an organization defines and achieves its purpose.

## communication technology

Technology that enables information technology (IT) and operational technology (OT) to be highly mobile and accessible to organizations, consumers, and other stakeholders. Sometimes seen as a component of either IT or OT.

## compliance

Both the act and result of ensuring that a standard or set of guidelines is followed, or that proper, consistent accounting or other practices are being employed.

## critical success factor (CSF)

A necessary precondition for the achievement of intended results.

## customer journey

The complete end-to-end experience that service customers have with one or more service providers and/or their products through touchpoints and service interactions.

## cybersecurity risks

Risks of exposure or loss for an organization resulting from a cyber-attack or a data breach.

## demand

Input to the service value system based on opportunities and needs from internal and external stakeholders.

## digital business

Activities that use digital technology, enabling an organization to fulfil its purpose.

## digital disruption

A fundamental shift in an organization's operation caused by the development of digital technology.

### digital organization

An organization that is enabled by digital technology to do business significantly differently, or to do significantly different business.

### digital strategy

A business strategy that is based all or in part on using digital technology to achieve its goals and purpose.

### digital technology

Technology that digitizes something or processes digital data. Digital technology refers to information technology (IT) and the parts of operational technology (OT) that have been digitized. See *also* digitization.

### digital transformation

The use of digital technology to enable a significant improvement in the realization of an organization's objectives that could not feasibly have been achieved by non-digital means.

### digitization

The process of transforming something (e.g. text, sound, or images) from analogue to digital form by expressing the information in binary digits.

### discontinuous innovation

An innovation that completely replaces what came before.

### disruption risks

Risks that can disrupt the organization's operating or business model.

### ecosystem disruption

Disruption that occurs when digital technology introduces a change that impacts organizations across multiple industries and markets.

### employee fulfilment

The feeling that people have when their work aligns with their intrinsic motivation and provides them with a sense of purpose.

### engagement risks

Risks that originate from an organization's stakeholders, including its suppliers and partners, consumers, and employees.

### governance

The means by which an organization is directed and controlled.

### indicator

A metric that is used to assess and manage something.

## industry disruption

Disruption that occurs when digital technology introduces a change that impacts a specific industry (e.g. manufacturing, finance, retail, or mining) or a group of related industries (e.g. e-books and self-publishing, which have disrupted printing, publishing, and retail).

## information technology

The application of digital technology to store, retrieve, transmit, and manipulate data (data processing), often in the context of a business or other kind of organization.

## innovation

The adoption of a novel technology or way of working that has led to the significant improvement of an organization, product, or service.

## innovation risks

Risks introduced by the organization's innovations.

## Internet of Things

The interconnection of devices via the internet that were not traditionally thought of as IT assets, but now include embedded computing, capability, and network connectivity.

## ITIL continual improvement model

A model which provides organizations with a structured approach to implementing improvements.

## ITIL guiding principles

Recommendations that can guide an organization in all circumstances, regardless of changes in its goals, strategies, type of work, or management structure.

## ITIL service value chain

An operating model for service providers that covers all the key activities required to effectively manage products and services.

## Kanban

A method for visualizing work, identifying potential blockages and resource conflicts, and managing work in progress.

## key performance indicator

An important metric that is used to evaluate the success in meeting an objective.

## market disruption

Disruption that occurs when digital technology introduces a change that impacts a particular market or market segment.

## metric

A measurement or calculation that is monitored or reported for management and improvement.

## objectives and key results (OKR)

A framework for defining and tracking objectives and their outcomes.

## operating model

A conceptual and/or visual representation of how an organization co-creates value with its customers and other stakeholders, as well as how the organization runs itself.

## operational technology

The application of digital technology for detecting or causing changes in physical devices through monitoring and/or control.

## opportunity

A situation that allows an organization to expand its existing operation, either by introducing new products and services or by moving into a new market.

## organizational agility

The ability of an organization to move and adapt quickly, flexibly, and decisively in response to events in the internal or external environments.

## organizational resilience

The ability of an organization to anticipate, prepare for, respond to, and overcome adverse events in the internal or external environments.

## parallel operating model

An approach to executing digital strategy while maintaining a steady state.

## performance

A measure of what is achieved or delivered by a system, person, team, practice, or service.

## portfolio

A collection of assets into which an organization chooses to invest its resources in order to receive the best return.

## product

A configuration of an organization's resources, designed to offer value for a consumer.

## resource

A person or other entity that is required for the execution of an activity or the achievement of an objective. Resources may be owned or employed by an organization, or contracted from a third party.

## risk

A possible event that could cause harm or loss or make it more difficult to achieve objectives. Can also be defined as uncertainty of outcome and can be used in the context of measuring the probability of positive outcomes as well as negative outcomes.

## service

A means of enabling value co-creation by facilitating outcomes that customers want to achieve, without the customer having to manage specific costs and risks.

## service management office (SMO)

A group or department that functions as a centre of excellence for service management, ensuring continual development and the consistent application of management practices across an organization.

## service offering

A documented agreement between a service provider and a customer that identifies both the services required and the expected level of service.

## service value system (SVS)

A model representing how all the components and activities of an organization work together to facilitate value creation.

## sustainability

A business approach focused on creating long-term value for society and other stakeholders by addressing the risks and opportunities associated with economic, environmental, and social developments.

## value

The perceived benefits, usefulness, and importance of something.

## vision

A defined aspiration of what an organization would like to become in the future