



Pink Elephant

5575 North Service Road, Suite 200
Burlington, Ontario L7L 6M1
Canada

Telephone: 905-331-5060
Toll Free: 1-888-273-PINK
Fax: 905-331-5070

www.pinkelephant.com

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To all our valued customers:

You may have heard in the IT Service Management (ITSM) community news of an impending cost increase for ITIL® exams. This is due to a significant lift in the royalty charged by the new Accreditor, Axelos, to the Examination Institutes (EIs). It affects all ITIL exams taken after December 31, 2013. No matter when the exam was ordered, if the student takes the exam in 2014 it will be at a higher cost.

The EIs are passing this increase straight on to the Accredited Training Organizations (ATOs). This presents something of a challenge to the ATO community because at this late stage in the year, many ATOs have already contracted with their customers for 2014 exams at the "old" 2013 rates. Right now ATOs around the world are scrambling to quickly adjust their fees accordingly.

Pink Elephant is one of the largest ATOs in the world, and we have many hundreds of customer organizations that will be affected. We've thought carefully about how to handle things and have made three key policy decisions.

Firstly, we've taken the opportunity to look for efficiencies and savings in our ITIL education business to try and mitigate the impact of higher exam costs. After all, we hear from our customers that they are constantly being challenged to do more with less. IT and training budgets are often either frozen or reduced, so it's important we try to look for economies as well. To simply pass on the cost increase without much thought would be the lazy option. Whenever we can identify cost savings we should be prepared to share them with our customers, and I'm pleased to say we have indeed identified savings to help offset the increased cost of the exam. The outcome of this means that while some customers will see an increase in the total cost of their ITIL education product and exam, in other instances we've actually been able to reduce the overall cost (i.e.: the cost of the training component has been lowered by a greater amount than the exam increase).

Secondly, we think our customers would probably appreciate more visibility into the true cost of the exam when they buy education and certification. So, at Pink, we're adjusting our pricing strategy to make that possible. Early in 2014 you will see training and exams identified separately on our website and in proposals for onsite training. You can then judge for yourself the value of the certification component.



And finally, we must make this transition as smooth and clear as possible, and we **MUST** treat our customers fairly and respectfully as we roll out the changes. With this in mind, we have identified two groups of customers, and this is what it will mean to them:

1. Customers who have already signed contracts for education and certification services to be delivered from January 1, 2014. These contracts have been agreed at 2013 exam rates. We don't think it's right to go back and ask for additional fees and so Pink will absorb the cost increase and will **NOT** be asking customers to pay any kind of surcharge for exams to be taken after December 31, 2013.
2. Customers in what we call the "sales pipeline". They may have proposals from us or they may still be at an early stage of considering their options and plans. Either way, they are likely to make a commitment to buy very soon (maybe tomorrow, next week or next month). All these customers are still looking at 2013 rates because new rates for 2014 have not yet been published (we will be doing that in the next few days). In this instance we will continue to accept new orders and registrations at 2013 rates up until January 17, 2014. Again, Pink will absorb any increased exam costs in the meantime. But after January 17 our new pricing strategy will come into effect.

I hope it's clear to everyone that while Pink needs to pay a higher price to the EI for all ITIL exams taken from January 1, 2014, we are not passing any increases on to customers who place their orders by January 17, 2014. So, confirm your order now!

Thanks for your patience and understanding.

A handwritten signature in blue ink, appearing to read "David Ratcliffe".

Happy Holidays!

David Ratcliffe
President, Pink Elephant