Navigating the Fear of License Cost Increases

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MOZAIC

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As organisations increasingly rely on service management tools to optimise their workflows, the fear of rising licence costs is becoming a pressing concern. What once seemed like a stable investment is now less predictable, with unexpected price hikes, additional fees, and new licensing requirements creating financial strain. With many businesses feeling the pressure of escalating costs, it's crucial to find strategies that maintain the value of these platforms while keeping expenses in check.

Optimising workflows across corporate and back-office functions is a priority for many organisations, with the majority either already implementing or planning to extend service management transformation beyond IT. According to a survey on the 'State of Service Management', around 50% of organisations have strategies in-flight, with another 14% planning to extend their transformation initiatives.

However, despite these efforts, many organisations face a growing challenge: the escalating cost of service management tools as their footprints grow. Interestingly, 33% of organisations report having no plans to change their service management tool, yet 17% are currently in the process of changing, and another 24% expect to do so within the next year. This high churn rate indicates that many are struggling with unforeseen pricing challenges that could jeopardise their transformation goals.

A major concern for these organisations is that Enterprise Licence Agreements (ELAs), which were intended to reduce costs, often result in higher-than-expected expenses. In many cases, additional licences are required to unlock new functionalities, repackaging of functionalities into new SKUs causes unexpected price hikes, and migrating from legacy bundles to individual pricing models makes it impossible to predict costs accurately. This creates a significant mismatch between the initial business case for service management platforms and the increasing financial burden.

To address this challenge, organisations should consider platforms that provide flat pricing models. A flat pricing model offers predictable costs, which helps avoid the risk of escalating fees. Additionally, such platforms include open pre-built integrations (APIs) and essential functionality within the licence fee, reducing the hidden costs that often surprise customers. Flexible licence allocation options, such as concurrent licences for users who rarely interact with the platform, can also reduce the total licence cost, making the transformation more affordable and sustainable.

In addition, a further benefit can be found with platforms that offer low and no code configuration. These can create an easily extendable blueprint as they use templated workflows that can be replicated and re-used, reducing the complexity and skill requirements for in-depth configuration of highly configurable platforms with specific modules and workflows available out of the box.

How Mozaic Can Help

With our expertise in cost optimisation and strategic platform selection, we can help you navigate complex pricing structures and find solutions that grow the value of your tools while keeping costs predictable. Whether you're looking to optimise your current investments or explore alternative platforms with more simplistic and transparent pricing, we can guide you through the process. Reach out to discuss how we can help you reduce licence costs and secure long-term value for your organisation.

FOR MORE INFORMATION

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