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ESM Benefits at Risk

Navigating Scope, Funding & Sponsorship Roadblocks

**Future
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ESM Benefits at Risk: Navigating Scope, Funding & Sponsorship Roadblocks

Enterprise Service Management (ESM) has the power to transform business operations, but many organisations find themselves stuck at the starting line due to common obstacles like scope misalignment, funding struggles, and a lack of executive sponsorship. These roadblocks can delay or derail transformation efforts, preventing businesses from realising the full benefits of ESM. However, by adopting a more flexible, incremental approach, organisations can continue to move forward with their service management initiatives without needing large upfront investments or overwhelming executive approval. By taking a strategic, step-by-step approach, the path to success becomes more manageable, even in the face of these challenges.

ESM offers significant business benefits, including cost reduction, enhanced user experience, higher productivity, and improved service delivery. However, many organisations face significant barriers that prevent them from fully realising these benefits. These roadblocks include improper scoping, funding challenges, and lack of executive sponsorship.

Scope issues often arise when organisations misjudge the complexity of extending service management beyond IT. As they move to onboard additional departments, unforeseen costs, especially due to escalating licence fees, emerge. According to industry data, up to 75% of organisations face challenges with escalating service management costs due to the complexities of pricing models and the need for specialised expertise to configure new workflows.

In addition to scoping issues, organisations frequently struggle to secure the necessary capital funding for ongoing transformation efforts. Traditional budgeting processes often make it difficult to justify large, upfront investments for technology. These financial constraints are exacerbated by the unpredictable nature of service management tool pricing. The pricing challenges mentioned earlier, such as the introduction of new SKUs and unexpected licence increases, further delay or derail transformation efforts.

However, organisations can avoid these pitfalls by embracing a strategy informally referred to as “transformation by stealth.” This approach involves slowly replacing expensive legacy platforms without requiring large upfront capital investment. By focusing on low-code platforms with flexible pricing models, organisations can implement new functionalities incrementally, which reduces the financial burden of traditional service management tool replacements. These platforms allow businesses to achieve 20% time savings in productivity and a 40% reduction in forms and system complexity.

The “transformation by stealth” approach can also help circumvent the fight for capital funding that typically accompanies large transformation projects. By introducing new functionality gradually, organisations can start to see the benefits of transformation, such as

a 170% increase in self-service capabilities without waiting for significant capital approval. This incremental approach allows organisations to build momentum and gain internal buy-in, as teams experience immediate value from the transformation and request additional services to be onboarded. One UK higher education institution we recently spoke to described having people in other functions ‘banging their door down’ with requests to transform their services through onboarding to their ESM platform.

In fact, many organisations have found that the upfront costs to replace their service management platform are quickly repaid through lower licensing fees. These lower fees set the cost base on a more predictable trajectory, delivering value at pace without requiring constant capital funding.

In addition to the benefits of lower upfront costs, organisations that embrace this gradual approach are also seeing up to a 75% reduction in workloads related to compliance and risk management. This approach enables organisations to scale their ESM transformation without relying on large, disruptive capital investments, giving them the flexibility to expand transformation efforts across the enterprise as business needs evolve.

FOR MORE INFORMATION

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