Enterprise Service Management vs IT Service Management: What’s The Difference?

Often companies need a name for processes – even simple ones – to successfully roll them out. Enterprise service management is one such situation. The term enterprise service management, often shortened to ESM, may be new, but the concept isn’t— and you’ll hear this a lot from ESM adapters and promoters.

While there is no universally accepted definition yet for ESM, its basic tenet is not complicated: enterprise systems management is the practice of applying information technology (IT) systems management to other areas of an enterprise or organization with the purpose of improving performance, efficiency, and service delivery.

ESM is a holistic approach to service management that mirrors
what IT systems management (ITSM) does:

- Uses service management theories and principles
- Implementing same or similar technologies, such as service desk and incident request software, self-service through knowledge management, chats, and many more

Here’s an example: IT teams across the business spectrum have begun to improve their workloads and streamline service delivery by automating processes and service requests to help their customers – colleagues who rely on IT to provide their required software and processes. In some scenarios, IT has even provided an easy way to access their shared knowledge, enabling users to quickly solve their own problems instead of waiting for direct help.

With just a little common sense, other business areas have started realizing they can automate and gather collective knowledge, using ITSM principles, in order to improve performance and service delivery.

**What are ITSM principles?**

ITSM is a widely-recognized process-based approach that aligns the delivery of IT services with the needs of the organization who uses the services. ITSM encourages a change in the traditional view of non-IT departments and how they view IT: instead of IT being an area that fixes problems, only visible when other business functions need them, ITSM helps the entire business see the IT team as the service provider that enables the entire business to meet both team-based individual goals and wider business goals as efficiently as possible.

It isn’t unlike any business that sells a service – these businesses combine materials, tools, and expertise to deliver a product to external customers. In ITSM theory, the IT team uses the same resources to deliver a product as efficiently as possible to its own customers, that is internal organizational
functions and teams.

At the end of the day, the main objectives of ITSM are to structure the design, implementation, and delivery of any service in a way that improves the efficiency of operations, mitigates risk, and facilitates strategic planning to support business needs.

Comparing ESM and ITSM

ITSM is a deliberate way of managing and delivering service within IT and to its customers. Its strategy does not inherently apply to organizational processes beyond IT. ITSM can incorporate one or several frameworks, though the most recognizes are the detailed practices inscribed in the ITIL (formerly known as the IT Infrastructure Library).

ITIL is a standard that organizations can use to establish integration within their overall strategy while delivering value and maintaining a standard minimum level of competency. ITIL also demonstrates the importance of planning, implementing, and measuring in a way that supports continuous improvement (CI).

Inspired by the ITSM strategy, ESM broadly brings these service management strategies to the rest of the business, applying them to enterprise teams beyond IT. Systems solutions based in ESM track business resources, including people, parts, and assets, as well as the status of service requests, orders, repairs, and more.

These common ITIL structures actually align the main objectives of ITSM:

- **Service design:** the creation and deployment of a service catalog that is offered to relevant internal teams. The catalog defines the processes, resources, and delivery standards required to implement the services.
• **Service transition:** the implementation of change in a controlled way, such as modifying or adding services, processes, systems, or infrastructures.

• **Service operation:** the management of daily operations, including how requests flow in order to best solve problems, deliver services, and provide information in most efficient way possible

ESM takes the same goals of ITSM, improving efficiency within service design, transition, and efficiency to support business needs and increase user satisfaction. But ESM encompasses the processes or mandates that may not be necessary within IT service management.

For instance, some departments, like human resources (HR) or accounting and finance, may require a minimum level of data privacy or added flexibility in their templated answers to requests. Depending on the enterprise’s industry, external mandates could come into play as well, requiring service management solutions meet safety and compliance regulations, such as legal protection or medical privacy as associated with HIPAA.

**Benefits from implementing ESM**

ESM is growing, with more large-scale enterprises embracing the theories. Fortunately, many software and technology providers are aligning with ITSM to provide better solutions, making it easier for IT and non-IT business units to take advantage of these systems.

The benefits to ESM will depend on how widely its tenets are implemented. Common benefits to implementing ESM across many organizational processes and departments include:

- **Improving productivity.** Easy ticket tracking process
enable teams to respond to requests more quickly, leaving inboxes (and employees’ minds) less cluttered.

- **Eliminating waste.** Mapping and defining processes helps define activities, resources, and more by how much value they add – non-value added activities can be eliminated. By knowing exactly what is needed, redundant surpluses can also be avoided. This can be evolved into a continuous improvement workplace, for long-term improvement to operations.

- **Enhancing visibility and control.** Once reporting techniques are established, reliable metrics offer a high level of visibility, so that problem areas are easy to identify.

- **Increasing user satisfaction.** As processes help define roles and responsibilities, internal users will become more satisfied with request expectations – and as internal users are satisfied, external customers will see this improvement as well.

- **Sharpening the competitive edge.** As of 2014, 49% of companies surveyed reported no plans to adopt ITSM principles beyond IT.

- **Increasing the ROI on ITSM solutions.** With more business units using the same or similar ITSM and ESM solutions, the ROI increases drastically.

### Who can benefit from ESM?

Proponents believe that practically all business units can use ESM. It is both the responsibility of each team and the whole organization to decide who can most benefit from it – and who to prioritize when rolling out ESM processes.

To start implementing ESM practices, good candidates can be any team who:

- Receives large number of requests regarding the same topics
Delivers time-sensitive requests that must be tracked and managed
Acts as a gatekeeper for processes, for instance someone who provides approval or moves forward an action
Provides frequent standard reports

Here are some common examples:

Customer service – handling high volume of requests, some that are quick and easy to reply to while others require research
HR – handling requests for leave, changes to health plans, training and staffing, salary enquiries, and on-boarding new employees
Accounting and finance – approving expenses, sending invoices, tracking payments
Legal – reviewing and approving documents, requests for standing contracts/forms, and certifying documents
Purchasing – processing purchase orders, building quotes, and authorizing discounts and price adjustments
Security – on-boarding new employees and performing security checks and audits
Administration – requesting office supplies, managing printing and courier services, and tracking meeting rooms
Facilities/building services – managing requests for repairs, office relocations, and furniture needs

Long-term, most every business unit is providing an internal service to the organization, so ESM practices can be applied.

Initiating and implementing ESM in any organization

ESM is unique in that each team that adapts its theories and practices can customize it exactly to their service delivery. Still, initiating the implementation of ESM can be tricky.
Here are some tips to help justify or ease the transition:

- Justify the need for ESM in business terms. Indicate where you can save money, reduce workloads, and improve efficiencies, leading to an overall increase in business efficiency.
- Each department owns their ESM rollout – it’s no longer at IT project. While ESM has historical context in IT teams, it’s not up to IT teams to implement ESM systems for other company functions. Each team must embrace what ESM can do for them specifically. It’s also important to recognize that ESM is not only about implementing a tool or software system.
- Differences are welcome! There is no one-size-fits-all approach to service management that will be appropriate for all business areas. Some teams may require more automation while other require more flexibility.
- Share the successes across all teams!

Taking advantage of enterprise service management theories and practices will lead to the continuous and long-term development of flexibility, ROI, and continuous improvement, both for those who employ ESM principles and the users and customers who benefit from them.