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Fragmentation tax

The hidden cost of a disconnected service ecosystem



When IT, HR, facilities and other service teams work through disconnected systems, workflows and data, the organisation pays in wasted time, duplicated effort, delays and avoidable cost.

1 What is fragmentation tax?

Fragmentation tax is the hidden operational cost created when service teams, workflows, systems and data are disconnected.

It shows up in manual handoffs, repeated work, slower service, poor visibility and lost productivity.

2 What fragmentation looks like

- Multiple portals for different needs
- Requests passed between teams
- Re-entering the same information
- Employees chasing updates
- Approvals happening in email
- Different teams working with different data

3 Who pays the fragmentation tax?

Employees
- Time wasted finding the right route to help
- Repeating information to multiple teams
- Delays getting what they need

Employees become the integration layer

Service teams
- Manual coordination between departments
- Duplicate data entry and rework
- More follow-up and status chasing

Manual coordination becomes the process

The organisation
- Higher operating cost
- Slower fulfilment and onboarding
- Avoidable inefficiency at scale

Small inefficiencies become expensive at scale

Leaders
- Poor end-to-end visibility
- Hidden bottlenecks between teams
- Inconsistent reporting

Teams can hit SLAs while the journey still performs poorly

Automation and AI
- Harder-to-automate journeys
- Automation trapped in silos
- Poor data for AI

Fragmention slows AI and automation down too

4 The real cost of fragmentation

- **Cost** — Duplication, rework and avoidable labour
- **Risk** — Missed steps, weak governance and inconsistent data
- **Delay** — Slower handoffs, approvals, fulfilment and resolution
- **Lost productivity** — Time wasted navigating complexity

5 Why this matters now

As organisations try to improve service delivery, automate workflows and apply AI more effectively, fragmentation becomes a bigger problem. Disconnected services do not just create inefficiency today–they also limit the organisation's ability to modernise tomorrow.

6 What a unified service ecosystem changes

- One clear route to help
- Connected workflows across teams
- Fewer manual handoffs
- Better visibility across the whole journey
- A stronger foundation for automation and AI



Unified service management eliminates fragmentation tax.

Read Choosing an ESM platform for the AI era

hornbill.com/choosing-an-esm-platform-guide

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