

Transform Your UX Practice to Transform Your Business

“ Many companies (and leaders) have recognized the importance of digital and focused their digital strategy and spending. Yet many still have a long way to go in creating an organization that is well positioned to see digital efforts scaled across the company and achieve the large financial impact that they expect. ”

Build the User Experience Practice for Business Impact

While there is much written about the importance of the customer experience in driving business success¹, UX organizations are not as fully developed or integrated into the business structure of many companies as one might expect. As a result, user experience practices aren't living up to their full strategic potential. According to a recent McKinsey survey of 850 C-level executives “many respondents say their companies must address key organizational issues before digital can have a truly transformative impact on their business.” McKinsey's research revealed that executives feel that their digital programs are hindered by a lack of talent and a poor understanding of the value of digital².

How to Assess the Holistic Health of Your UX Organization

To get a deeper understanding of the challenges executives face and develop a blueprint for building an effective UX practice, AnswerLab interviewed 26 user experience executives at leading software, pharmaceutical, ecommerce, financial services, retail, and social media companies. Based on these interviews and our decade-long experience consulting to UX organizations, you will learn how to:

- Identify expertise gaps in the UX organization
- Foster customer-centricity across the company with specific activities
- Align the structure of the UX organization for maximum impact
- Demonstrate and communicate the value of UX.

¹ Manning, Harley and Kerry Bodine, *Outside In* (New Harvest, 2012).

Kris, Peter, “The Value of Customer Experience, Quantified,” Harvard Business Review Blog, August 1, 2014.

<https://hbr.org/2014/08/the-value-of-customer-experience-quantified>

Zwilling, Martin, “‘Customer Experience’ Is Today's Business Benchmark,” Forbes Magazine, March 10, 2014.

<http://www.forbes.com/sites/martinzwilling/2014/03/10/customer-experience-is-todays-business-benchmark/>

Manning, Harley, “When It Comes to Total Returns, Customer Experience Leaders Spank Customer Experience Laggards,” Forrester blog, September 14, 2012.

http://blogs.forrester.com/harley_manning/12-09-14-when_it_comes_to_total_returns_customer_experience_leaders_spank_customer_experience_laggards

² Gottlieb, Josh and Paul Willmott, “The digital tipping point: McKinsey Global Survey results,” McKinsey & Company, June, 2014. http://www.mckinsey.com/insights/business_technology/The_digital_tipping_point_McKinsey_Global_Survey_results?cid=other-eml-nsl-mip-mck-oth-1407

AnswerLab's Ecosystem Model of UX Performance

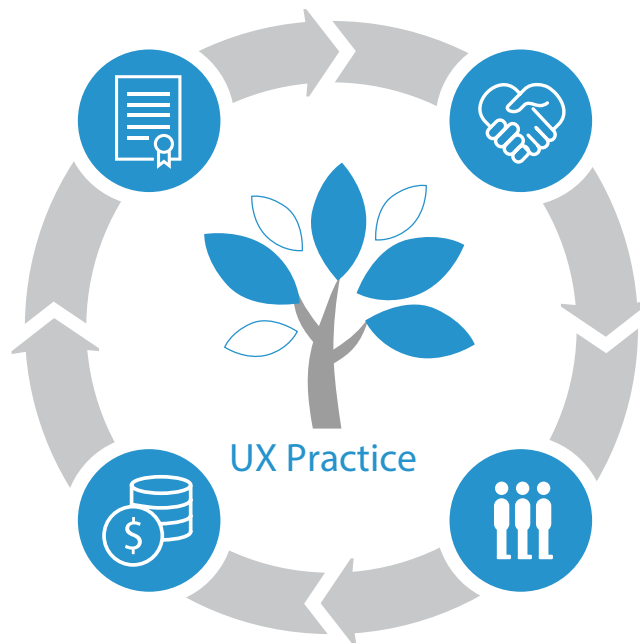
While there are a myriad of challenges to organizing and integrating UX practices for business impact – such as identifying and retaining the right talent; fostering a culture of customer focus; ensuring alignment across business units for user experience efforts; and enlisting executive support – there are also many ways to address these. UX teams are growing, but adding headcount without a plan won't yield positive results. In this paper, we challenge traditional models of the evolution of UX organizations as a linear progression through stages to an endpoint where customer- and user-driven considerations drive strategy and direction. These “UX maturity” models assume progress is made and held, one level at a time, and potentially taking decades to reach the optimal endpoint³.

AnswerLab's interviews with UX leaders revealed a model of UX progress that is not sequential, but rather a network of interconnected disciplines. Our perspective is that progress requires thinking of the overall UX practice as an ecosystem with four key elements that can be nurtured simultaneously. It is a model that *won't* take years to fully implement in order to have an influence on growing revenue, reducing costs, or increasing customer loyalty. Because an ecosystem framework allows for more permutations of success, it invites various players in the UX practice to influence change and collaborate for success. One organization might require a different balance of elements than another.

³ Nielsen, Jakob, “Corporate UX Maturity: Stages 5–8.” Nielsen Norman Group blog, May 1, 2006. <http://www.nngroup.com/articles/usability-maturity-stages-5-8/>

Building a UX Organization for Business Success: The Ecosystem Model of UX Performance

Based on AnswerLab's decade-long experience consulting to UX leaders and our in-depth interviews with them to inform our point of view, we have identified four key elements in our Ecosystem Model of UX Maturity/ Ecosystem Model of UX Performance. They are:



Expertise is table stakes; you need to find it, develop it, and retain it. Expertise thrives when there is Customer-centricity. *Customer-centricity* promotes philosophical alignment of business priorities across stakeholders. Organizational *Alignment of the UX* practice enables delivery on those business priorities. Value is the demonstration and communication of how UX delivers on business priorities.

In the Ecosystem Model, there isn't a single pathway to nurture. Below we describe each of the elements and the steps you can take to start cultivating them.



Expertise

The Element of Expertise

This element requires assembling a team that:

Has UX-specific skills:

- Do you have design talent with graphic/visual design, information architecture, content strategy, and coding skills and research talent with moderation, presentation, and analysis skills?
- Is there experience developing, designing and researching for various platforms?
- Do members have degrees focused on understanding human behavior such as Human-Computer Interaction (HCI), Cognitive Psychology, or Anthropology? Or degrees focused on understanding and managing complex information – Computer Science, MBAs, Statistics?

Demonstrates business acumen:

- Is there a team leader who has the expertise to set the vision for the organization, establish priorities, and set a UX strategy?
- Does the practice leader know how to establish key measures of success and evaluate performance against those?
- Do leaders understand business priorities and identify opportunities to integrate user-centric activities at key decision-making points?
- Do team members have a deep understanding of the product development process?

Evangelizes UX:

- Are team members at all levels able to articulate the importance of user experience to other functions in the organization?
- Does a team member take ownership of seeking opportunities to communicate success stories and insights with the wider organization?
- Are team members active in the professional community, such as the IXDA, UXPA, CHI?

“ Our strategy can't just be to get butts in seats. We need to find people who are a good cultural fit. We need to make sure we get talent in the right seat in order for them to be effective in their job. And then we need to invest and take the time to manage and develop these people. ”

*Senior Vice President of
Customer Experience, Fortune
1000 Technology Company*

Has a professional development and retention strategy:

- Are there onboarding, training, and skills-development programs in place or available to hone talent?
- Does the UX practice leader have a plan in place to keep hard-to-find talent?
- Are there opportunities to move or advance within the company?

How To Cultivate Expertise:

Evaluate your team to identify which skills and areas of expertise the team already possesses and those that are missing. At the end of this document is an evaluation form to help you assess your team and readily identify expertise gaps. Determine those that can be filled by hiring full-time employees with the requisite skills, contractors, or partners that understand your business and UX.



Customer-centricity

The Element of Customer-centricity

Without customer-centricity, all the expertise in the world may not make a difference to the effectiveness of the UX practice. Customer-centricity enables talent to thrive. This element is one that ideally permeates the entire company. This is not simply about exceeding the expectations of external customers who purchase your company's products or services. It also encompasses efforts of the UX practice to exceed the expectations of internal customers and stakeholders.

Customer-centricity requires:

Integrating customer needs into key decisions.

- To integrate customer needs into decision-making, business stakeholders need customer empathy – a true understanding and caring about customer goals, needs, and the context for their decision-making.
- To develop customer empathy, listen to and observe customers through a variety of channels and methods, such as listening to customer care calls, observing usability tests and interviews, using your own product and competitors' products to directly experience challenges and opportunities. At the apex of customer-centricity are those companies where everyone at the company, at some point in time, is expected to engage directly with customers.
- To integrate customer needs into decision-making,
 1. Create a customer insights roadmap that parallels the product development cycle; the product roadmap should have milestones associated with gathering and analyzing customer insights.
 2. Embed those customer insights into templates, style guides, product and/or design principles, and personas that will be used repeatedly in development.
 3. Represent and insert the voice of your customer whenever there's an opportunity, including at key product meetings, water-cooler discussions, and all-hands meetings.
 4. Continue to gather key customer-based performance indicators, such as net promoter scores or AnswerLab's [UXImpact Score](#), to evaluate the impact of design, development, and marketing decisions on business and adjust accordingly.

“ The core philosophy that governs every activity at [our company]... is the idea that if you take care of your people, they in turn will deliver impeccable service demanded by your customers, who will reward you with the profitability necessary to secure your future. Creating a user experience team with a focus on the digital space was a natural extension of this philosophy. ”

*Head of UX, Fortune 100
B2B Company*

“ The most valuable part of user experience is becoming a cultural norm, meaning every employee in the company from engineer to product manager to lawyers to HR people, all must understand how to do design thinking with the customer in the center. ”

UX Strategy Consultant

“ If you want to understand user experience, you work with the people who understand how to gather data in the right way; and what product managers, designers and engineers need at the end of the day is the right data. ”

UX Research Leader, Fortune 500 Social Media Company

Being consultative

The UX practice should serve as the company's resource for customer insights and analysis. If customer empathy is the starting point for decision-making, then the UX practice should not only be able to weigh in when asked, but also to promote the customer perspective across teams and set priorities for new endeavors. At one Fortune 100 company we spoke with, the UX practice holds weekly consulting office hours, with support on design sessions or UX research planning. The result is more consistency across customer experiences and increased demand for the UX team's input.

Fostering a collaborative, cross-functional culture.

Good UX cannot be created in a vacuum. Just as it must start with customer empathy, it cannot be delivered without collaboration across product management, operations, marketing, development, design and customer support teams. Focusing on the needs of the customer is one of the primary ways to ensure teams are aligned and working toward a common goal. Foster collaboration by:

- Regularly sharing customer insights across functions and integrating customer insights into existing communication touch points, including functional meetings, product roadmap discussions, brown bags/learning lunches, etc.
- Bringing together stakeholders across departments to discuss the implications of customer insights. Different departments may have different interpretations of how the insights impact the overall business, and there will be diverse ideas about how best to take action on them.
- Evangelizing a holistic, integrated vision and creating buy-in with other senior leaders.
- Securing peer management alignment on all UX priorities, resourcing, and budget allocation through regular meetings with cross-divisional, primary stakeholders in UX initiatives.

How To Cultivate Customer-centricity:

Many of the UX leaders we interviewed have implemented creative ways to promote customer-centricity. At the end of this document, find a list of activities for fostering customer-centricity.



Alignment

The Element of Alignment

Customer-centricity will promote *philosophical* alignment of business priorities across stakeholders. To deliver on those priorities, it is critical that there is *organizational* alignment of the UX practice. Organizational alignment should foster collaboration, a focus on the customer, and executive leadership to ensure a holistic view of the user experience that meets strategic goals.

Determine the most effective UX structure.

Factors such as budgetary constraints and the requisite level of in-house subject matter expertise will drive how the UX practice is structured. Below are three main structures and their benefits and challenges:

| Structure Type | Benefits | Challenges | Best to Use When |
|--|---|---|---|
| Centralized The UX Team acts as a consulting group to provide services across the organization. UX practitioners are deployed on a project basis, but report into the UX organization. This structure is successful with most teams due to its versatility and scale. | <ul style="list-style-type: none">• Scalability: practitioners can mentor, train and share knowledge• Breadth of Subject Matter Expertise: practitioners are servicing the entire organization• Visibility into and accountability for the holistic experience because practitioners are working across business units• Evangelism: unified team champions the value of UX (strength in numbers) | <ul style="list-style-type: none">• Lack of depth in business unit / product knowledge because less time is spent within these verticals• Requires more effort to develop relationships outside of UX organization | <ul style="list-style-type: none">• Limited headcount• Organization is new to UX• Need to scale or train UX team quickly• UX needs to influence holistic experience or business strategy |

| Structure Type | Benefits | Challenges | Best to Use When |
|--|--|---|--|
| Decentralized UX is embedded into business units. Many times they report into the head of the business unit. This structure is especially successful when UX is integrated into every aspect of the development process and there is executive sponsorship | <ul style="list-style-type: none"> Builds strong relationships within unit because they're spending most of their time within it Depth of subject matter expertise Strong influence on business unit initiatives | <ul style="list-style-type: none"> Expensive to hire and train because in addition to learning the ins and outs of a company, they also need to learn about business unit Competition for budget, resources, and time-to-ship amongst other business units because there isn't a centralized UX team advocating for on behalf of the practitioner Potential for fragmented user experience because they are only focused on their vertical | <ul style="list-style-type: none"> Deep product or business unit knowledge is imperative Need to build strong relationships with key stakeholders |
| Hybrid UX organization has practitioners embedded within business units and also an overarching group that influences strategy and the holistic experience. Many times UX practitioners will report into the centralized team, but sit amongst their business unit | <ul style="list-style-type: none"> Benefits of both centralized and decentralized teams Extensive knowledge-sharing with strategic and business unit insights because practitioners are involved at every level and throughout the company | <ul style="list-style-type: none"> Expensive to maintain because it requires more full-time employees to support both business units and the centralized team Reliant on executive sponsorship Potential competition amongst business unit and centralized team due to executive attention | <ul style="list-style-type: none"> UX team is essential to both the company's strategy and individual business units All the reasons for using centralized and decentralized teams Executive sponsorship and expansive budget |

“ Organization model is always the last thing that any company should talk about. The first thing you talk about is what is it that we are trying to achieve and then where are the gaps that we currently have in order to achieve that, and then you organize around – ok, what are the new skills that we need or how are we going to organize the people in order to deliver. ”

UX Strategy Consultant

“ [On each study] there was a lead researcher within [my company financial institution] who had the subject matter expertise and insider perspective who managed a vendor, who brought with them other industry expertise and more cutting edge methodological experience. This meant that the vendors did most of the heavy lifting. ”

Former Vice President of UX Research,
Fortune 50 Financial Services Company

“ [One of the benefits to being] very deep into product teams is you have influence and [encourage] collaboration. Those are the 2 levers that matter to a UX organization. ”

UX Research Leader,
Fortune 500 Social Media Company



Value

The Element of Value

Value is the demonstration and communication of how UX delivers on business priorities. It's what justifies headcount, budget, and the proliferation of UX considerations across the organization.

How to Cultivate Value

Measure, however hard it may be.

- Identify performance metrics in collaboration with key stakeholders.
- Ensure that there is buy-in on the measures.
- Don't rely on vanity metrics because they are easy to collect. Triangulate with a variety of measures that are indicators of business success.
- Think hard about the ultimate objectives of UX initiatives – are they intended to increase revenue, reduce costs, increase customer loyalty? If there is not a direct causal relationship between UX and those measures, identify the caveats in advance.
- Run benchmark tests for existing experiences so when new features are added or channels are integrated, you're able to show success or identify problems.
- Measure your customers' satisfaction at key touchpoints and regularly monitor.

Socialize results.

- Once measures are in place, socialization of results is possible. Share results, so colleagues understand how they might benefit from superior UX.
- Utilize company gatherings, set up meetings with smaller teams, and leverage office space by posting images or data.
- Keep a repository of insights that can be easily accessed and shared by the entire company.
- Create avenues to share the impact of UX, e.g., develop an internal newsletter, host brown-bag lunches, set up meetings to share and check-in on metrics with key stakeholders.
- Re-evaluate –The best UX organizations look for ways to improve, even when they are at the top of their game. Regularly evaluate based on the 4 elements of the ecosystem while using the company's current and future goals to help evolve the practice. Identify and use key metrics.

“ To demonstrate value, it's essential to start an engagement by clearly articulating a response to these questions: what are the business objectives for this UX initiative and what measures are we trying to move the dial on in the business? If we don't begin by having that conversation, it's impossible to ever demonstrate the ROI. ”

*Amy Buckner Chowdhry,
AnswerLab CEO*

To illustrate how some of the leaders we interviewed put these principles into practice, here are a few examples:

- One financial services UX leader worked closely with product stakeholders to determine what measurements UX could influence on a new product, and what metrics were needed in order to quantify success. When they launched the beta version of the product, they monitored these metrics. Based on the results, the team would iterate on the product, do further testing if needed, launch those changes, then continue monitoring the metrics. They did multiple rounds until they reached the metrics they agreed would indicate success, and eventually fully launched a successful new product.
- A retail UX leader initially tied his UX team's contributions to metrics that the business already measured: customer satisfaction and revenue. Over time, however, he and a colleague found there were other measurements that could better demonstrate the how his team's designs impacted experience. The UX team now uses a measurement model and framework that evaluates awareness, engagement, adoption, retention and advocacy – all stages of a user's relationship with their products or services. This gave his team more credibility in their design and research approaches and decisions.
- One ecommerce organization demonstrated their team's value by collecting all the user experience issues identified in their past research, then calculating the cost each issue had on the business. It received so much attention that the senior executive team committed to reducing the list of UX issues for that year.

About the research

The lessons and recommendations in this paper are based on interviews that AnswerLab Principal UX Researcher [Beth Lingard](#) conducted with 26 customer experience executives and thought leaders from Fortune 500 including FedEx, McAfee, VMWare, Facebook, Genentech, Adobe, Target, Citrix, Kohl's and several Fortune 500 organizations in consumer and investment banking.

The Blueprint to Build the UX Performance Ecosystem

In the same way that achieving symbiosis and equilibrium in a natural ecosystem depends on the health and vitality of a multitude of contributing factors, the UX ecosystem calls for health and vitality in each of the four key elements. And the converse is also true: any imbalance or oversight threatens the viability of the whole organization. Rather than addressing the wellbeing of each contributing factor one at a time in a linear progression, it's key to take a holistic approach to nurturing the entire network of interconnected disciplines. By advancing UX through every key function – championing the individual contribution of each role while encouraging a spirit of lively yet disciplined and rigorous collaboration – companies will drive business success.

We've crafted a few at-a-glance guides to help you stay on point with each of the four elements identified in AnswerLab's UX Ecosystem Model of UX Performance. Use them as reference tools to ensure the health of your UX ecosystem:

Expertise Evaluation Form

15 Activities for Fostering Customer-centricity

Determine the Optimal UX Organization Structure

Checklist for Demonstrating Value

About AnswerLab

Unparalleled Insights. Exceptional Experiences.

AnswerLab delivers the insights and advice that shape exceptional digital experiences. Our proprietary solutions and objective user experience experts enable the world's leading brands to dramatically improve marketing effectiveness and product performance. We help you envision new digital marketing opportunities and products, optimize existing ones, and measure their impact. Global market leaders select AnswerLab to create to create experiences that drive results, including Google, PayPal, Walmart, Honda, Visa, FedEx, Facebook, Genentech, eBay, Amgen, Intuit, and Harley Davidson.

©2015 AnswerLab. All rights reserved.