The Modern Design Organization

Leah Buley, UX London
May 2016

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HARPER'S INDEX

Chance that an American believes the country is still in a recession or depression **:** 1 in 2

Estimated percentage change in chief executive pay at America's publicly traded corporations in 2010 **:** +11

Factor by which the likelihood that a father will spank his child increases if the father is depressed **:** 4

By which women find proud men more attractive than happy men, according to a June study **:** 3

By which men find happy women more attractive than proud women **:** 5

Percentage by which a couple is likelier to divorce if one partner has a commute greater than 45 minutes **:** 40

Percentage change in the number of unmarried cohabiting couples in the United States between 2000 and 2010 **:** +97

Percentage of men and women, respectively, who have been photographed nude, according to a June *Playboy* poll **:** 27, 23

Change since 1960 in calories expended during the average workday of an American man and woman, respectively **:** –140, –120

Percent that working mothers "give" to their employers, according to Donald Trump **:** 84

Portion of employers who say they conduct criminal-background checks on potential employees **:** 3/4

Chance that an American adult has a criminal record **:** 1 in 4

Chance that a U.S. man who has been incarcerated will make it out of the bottom economic quintile within 20 years **:** 1 in 50

That a man who was never incarcerated will **:** 1 in 7

Number of Americans serving life without parole for crimes they committed when they were 14 or younger **:** 73

Percentage change in the number of U.S. whites under the age of 18 in the past decade **:** –9.8

Blacks **:** –2.3

Projected 10-year growth rate of user experience jobs:
16%

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Amount earmarked by IBM to hire
1,000 new designers:

$100,000,000

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5

Savings attributed to UK Government
Digital Service by treasury audit:

£ 4,100,000,000

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6

Assessment of design thinking by *Business Week* reporter Bruce Nussbaum, one of its most public advocates:

A failed experiment

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Conclusion of Donald Norman and Roberto Verganti regarding human-centered design:

Unlikely to lead
to radical innovation

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The Leah Buley Index

Miles traveled to be at UX London: 5,351

Time in the trenches as a UX practitioner: 15 years

Years spent at weirdest, best job ever: 4 years

Number of books written: 1

Length of time as a Forrester Analyst: 18 months

Birth order: 3 of 5

Lucky number: 7

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Why are organizations investing in design? And when and why does it fail?

Digital is one reason.

87% of firms are undergoing, contemplating, or just completed a business transformation–and digital transformation is a major goal.

Forrester Research

"We discovered that we had become the 14th largest software provider in the world–and we didn't even know it."

Greg Petroff, GE

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Another: **changing consumers.**

Millennials will be 75% of the workforce in 10 years.

The Hartford

Consumers aged 25-34 are more willing to pay more for products that save time and hassle, but also more likely to write negative reviews when disappointed.

Forrester Research

"They've got no distinction between what we would traditionally think of as enterprise tech versus consumer tech."

Doug Powell, IBM

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Plus, **the enterprise itself** is changing.

The average lifespan of a company on the S&P 500 went from over 60 years in 1960 to 18 years in 2012.
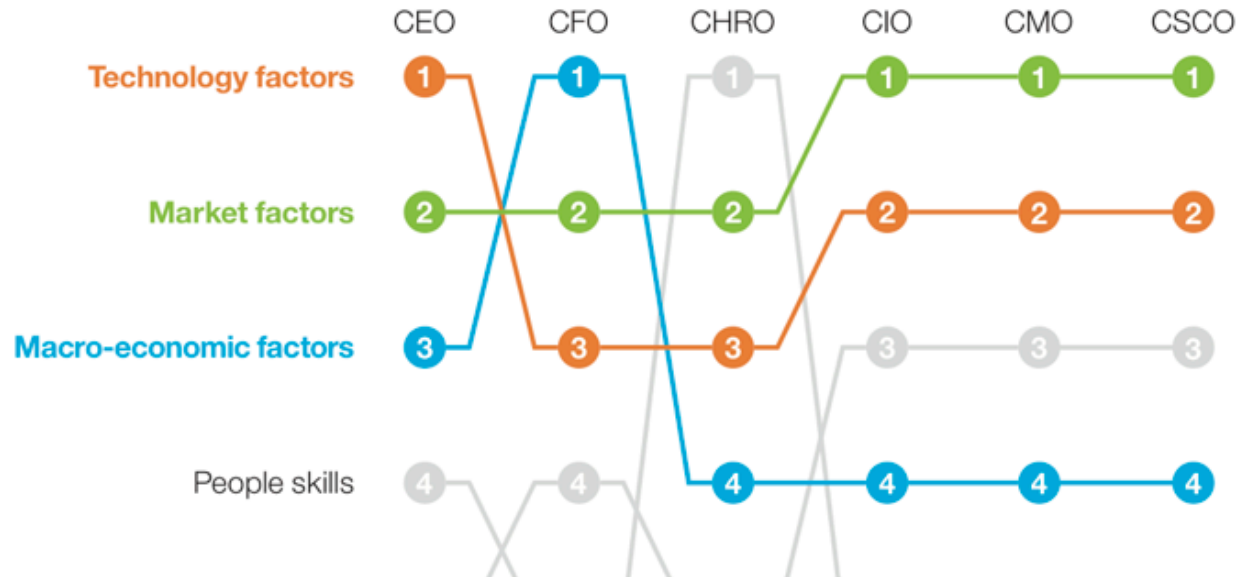
Innosight

45% of companies experienced a 'volatility event' in the past year.

Genpact

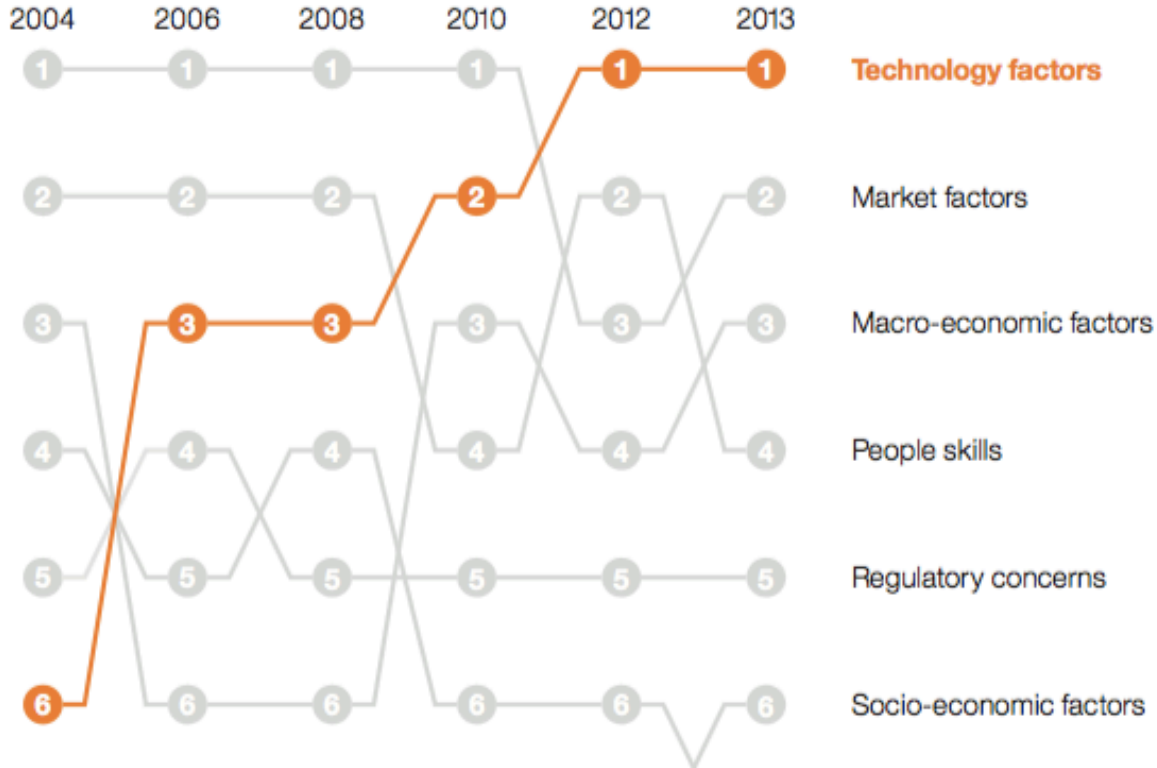"We estimated that it costs 10 percent of what it cost even 10 years ago to start a software company."

David Golden, Revolution Ventures

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Indeed, these are the C-suite's top concerns

	CEO	CFO	CHRO	CIO	CMO	CSCO
Technology factors	1	1	1	1	1	1
Market factors	2	2	2	2	2	2
Macro-economic factors	3	3	3	3	3	3
People skills	4	4	4	4	4	4

Source: IBM Report: *The Customer Activated Enterprise*, 2013

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Though this wasn't always the case…

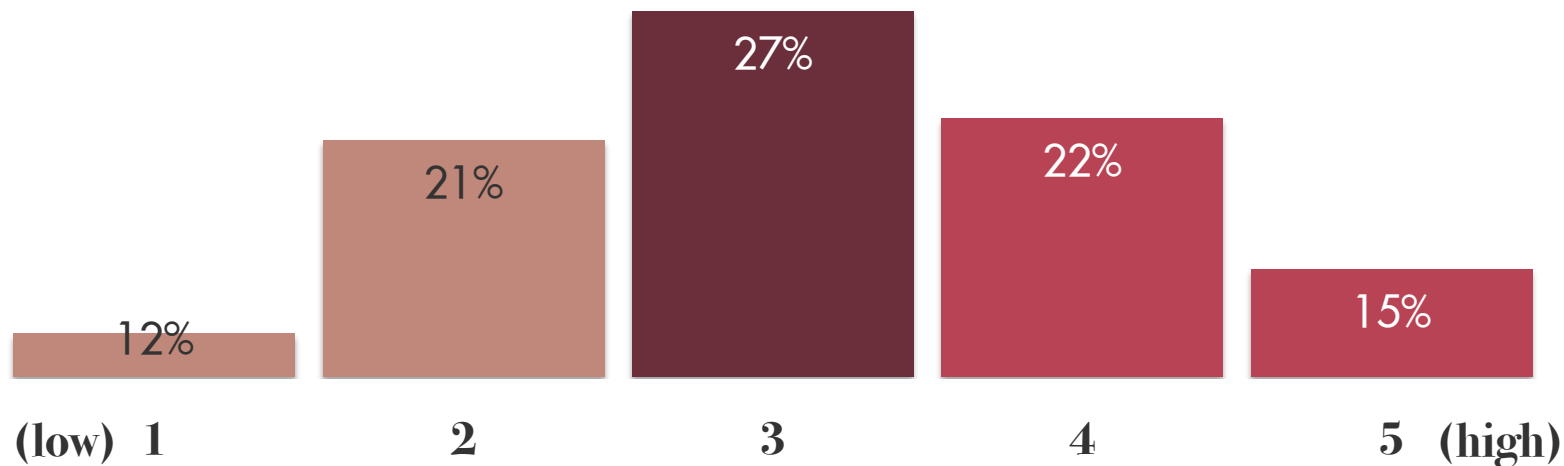| 2004	2006	2008	2010	2012	2013	
1	1	1	1	**1**	**1**	**Technology factors**
2	2	2	**2**	2	2	Market factors
3	**3**	**3**	3	3	3	Macro-economic factors
4	4	4	4	4	4	People skills
5	5	5	5	5	5	Regulatory concerns
6	6	6	6	6	6	Socio-economic factors

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In light of these new business challenges, design looks mighty attractive.

But is everyone reaping
the same benefits?
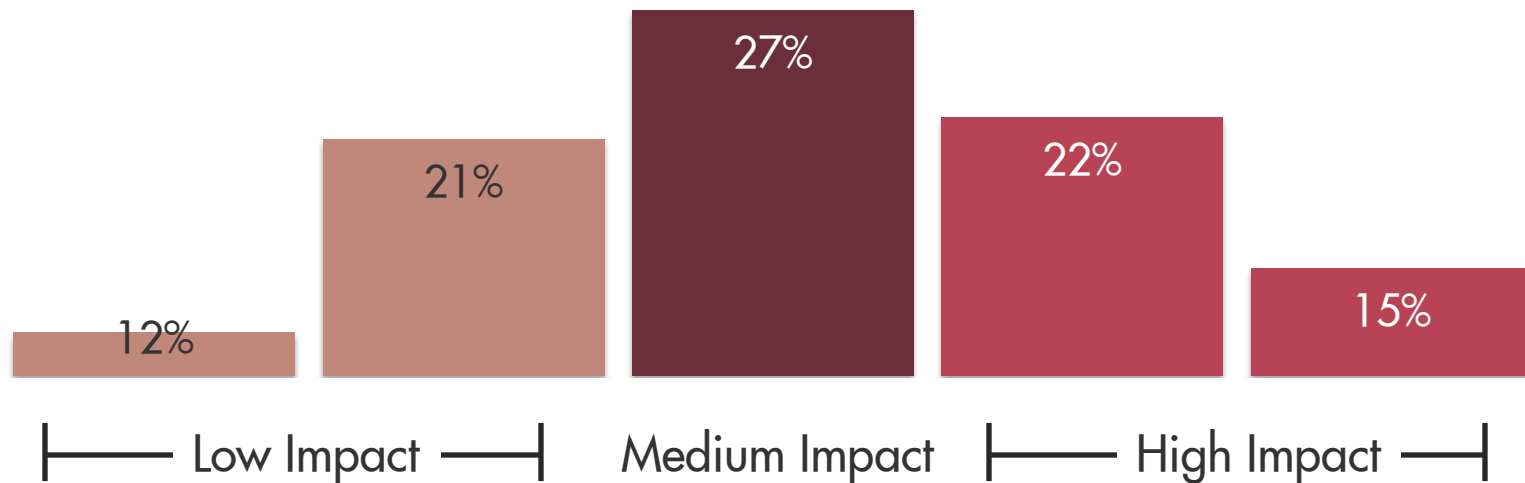
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The State of UX 2016 Survey

— 266 friends of UX

— Titles ranging from UX designer to CDO

— Respondents from every continent, but majority from North America, Europe, and Multinationals

— Respondents from across industries, with concentration in information technology, financial services, healthcare

— Ranging in size from <10 to >100,000 employees

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In your opinion, what is the level of strategic impact of UX in your organization?

	12%	21%	27%	22%	15%
	(low) 1	2	3	4	5 (high)

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In your opinion, what is the level of strategic impact of UX in your organization?

12% — Low Impact — 21%

27% — Medium Impact

22% — High Impact — 15%

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What characterizes *high* or *low* impact?

What level is your most senior UX leader?

Legend: Low (tan), High (crimson)

Level	Low	High
C-level	5%	74%
SVP	11%	56%
VP	23%	37%
Director	26%	45%
Manager	46%	29%
Lead	30%	34%
Leader? What leader?	62%	14%
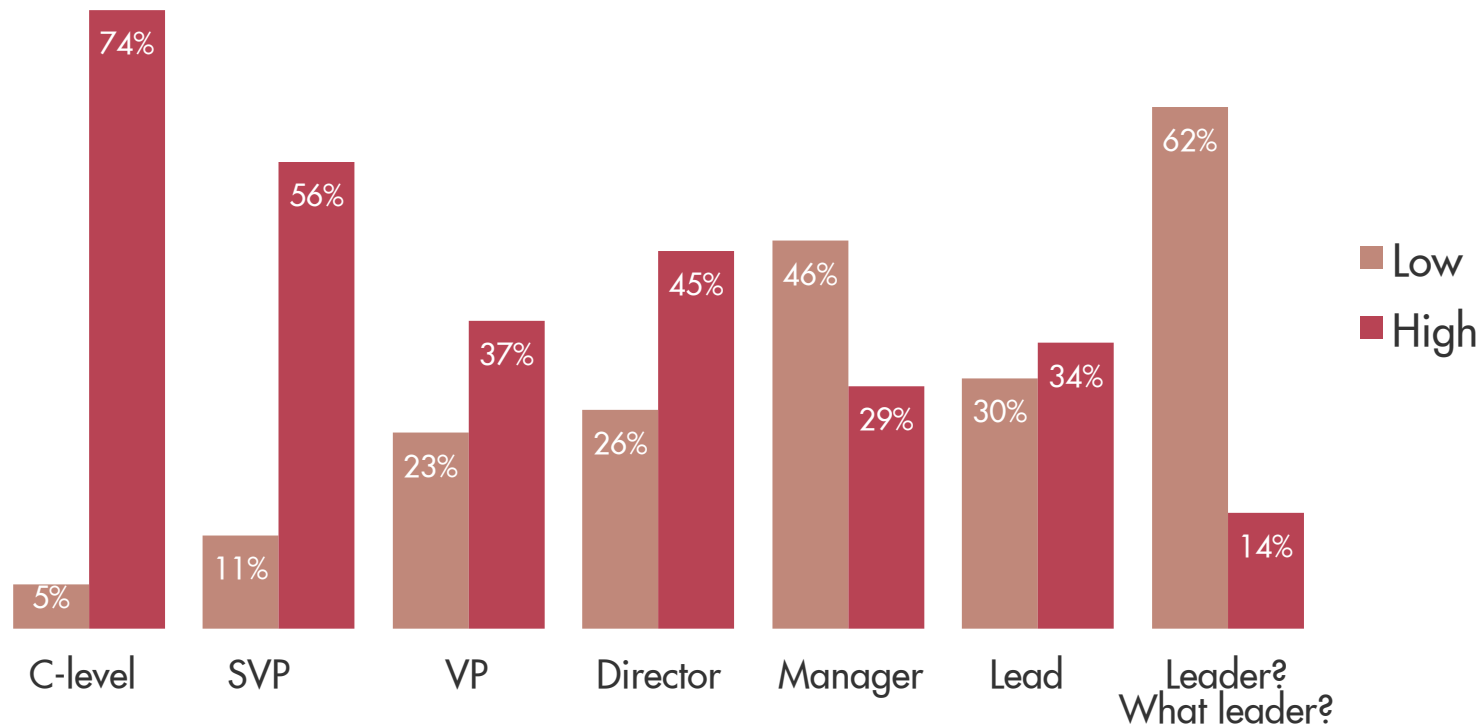
Source: Leah Buley Co. State of UX 2016 Survey / Base: 266 respondents

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AND YET
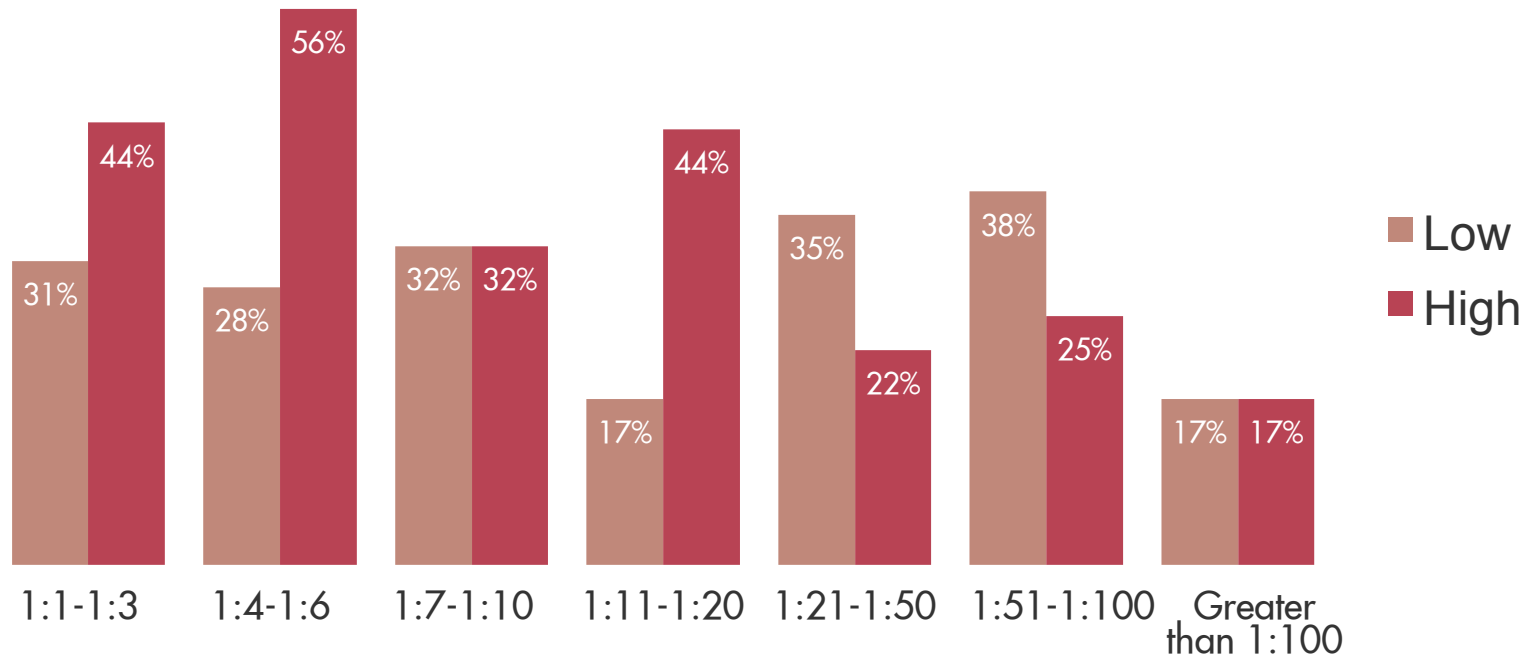
"The Chief Design Officer is not a savior."

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"The impact of hiring a CDO mimics the Gartner Hype Cycle—a peak of inflated expectations is followed by the trough of disillusionment. You have to be patient to get to the slope of enlightenment and become a more mature design organization."
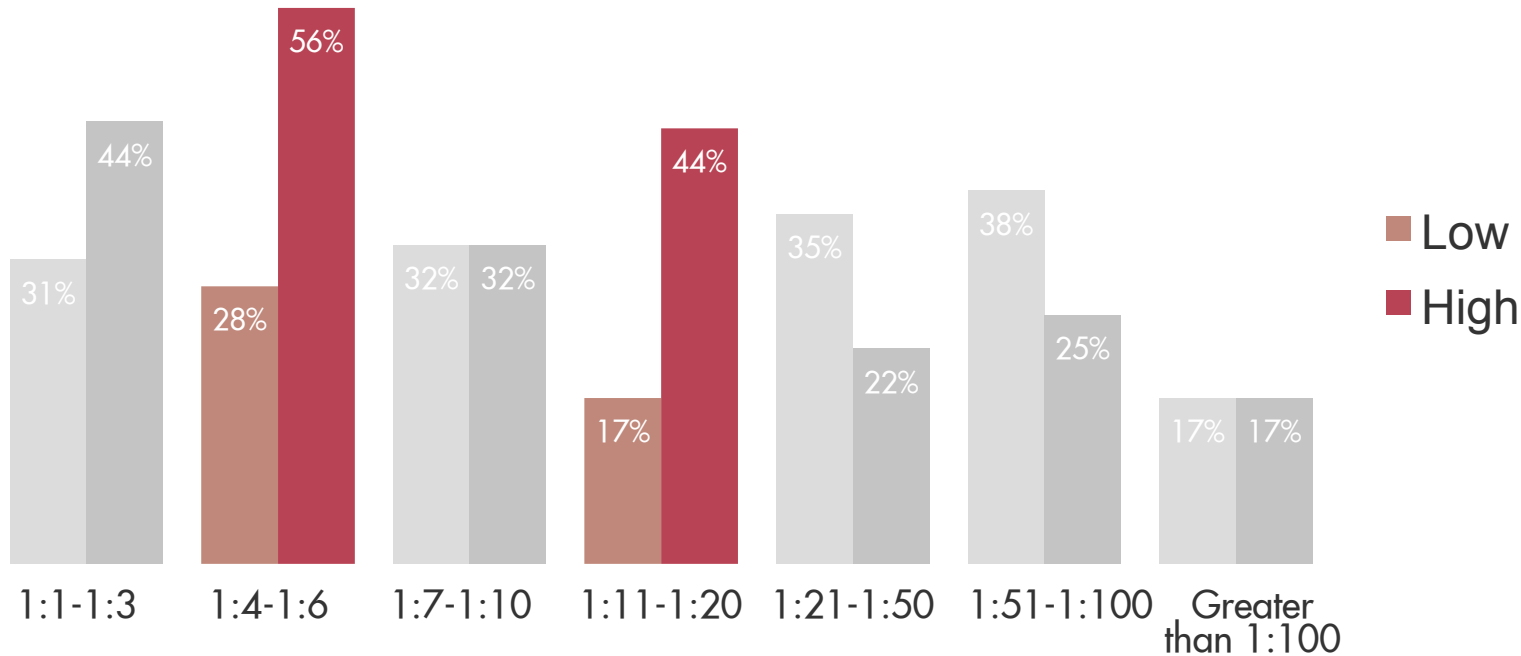
— Artefact Group on findings from over 300 design maturity surveys

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What is the approximate ratio of designers to engineers in your organization?

Bar chart with categories along the x-axis and Low/High values:

Ratio	Low	High
1:1-1:3	31%	44%
1:4-1:6	28%	56%
1:7-1:10	32%	32%
1:11-1:20	17%	44%
1:21-1:50	35%	22%
1:51-1:100	38%	25%
Greater than 1:100	17%	17%

Legend: Low, High

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There are two interesting things here.

	Low	High
1:1-1:3	31%	44%
1:4-1:6	28%	56%
1:7-1:10	32%	32%
1:11-1:20	17%	44%
1:21-1:50	35%	22%
1:51-1:100	38%	25%
Greater than 1:100	17%	17%

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Where is UX situated in your organizational structure?

Customer Experience
4%

Design
19%

Technology
23%

Hybrid/In Multiple Places
15%

Product
24%

Marketing
7%

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Where is UX situated in your organizational structure?

- Low
- High

	Customer experience	Design	Hybrid/multiple places	Product	Technology	Marketing
Low	9%	20%	22%	38%	47%	50%
High	55%	51%	41%	35%	26%	17%
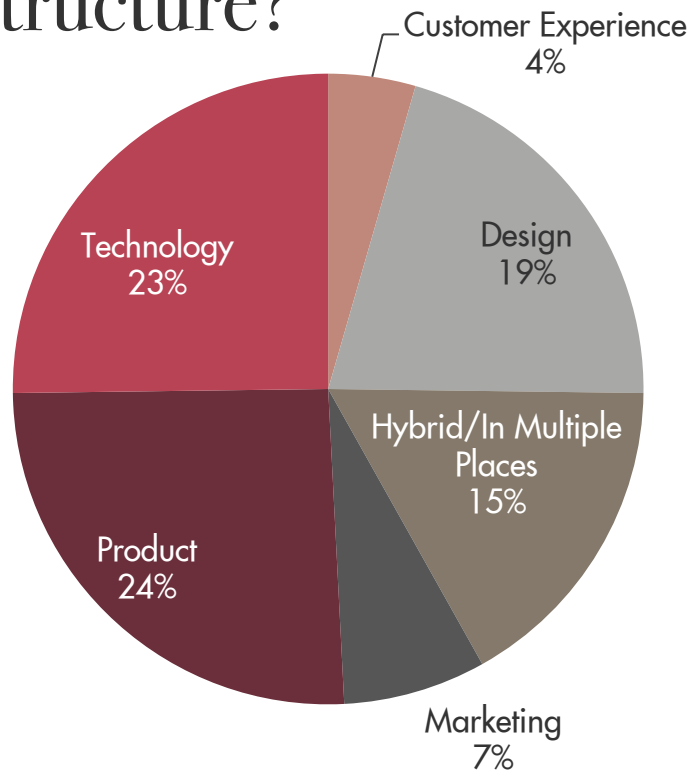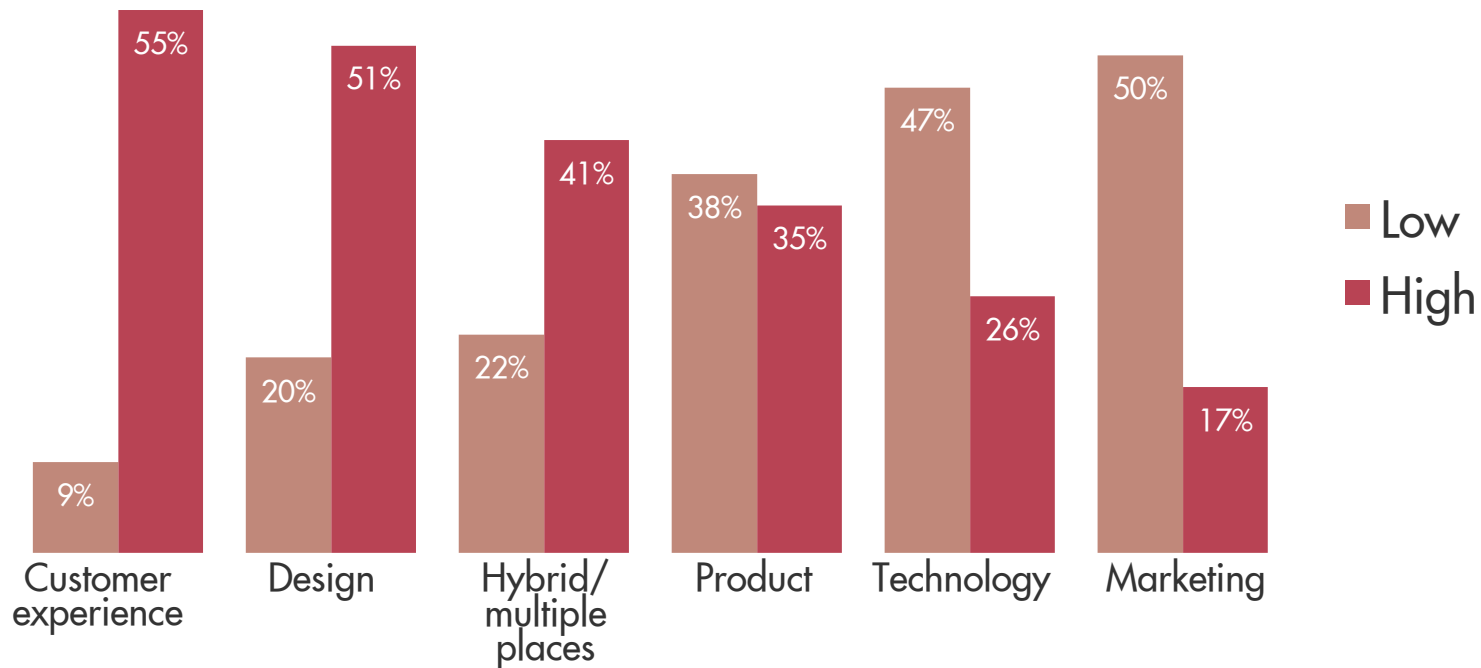
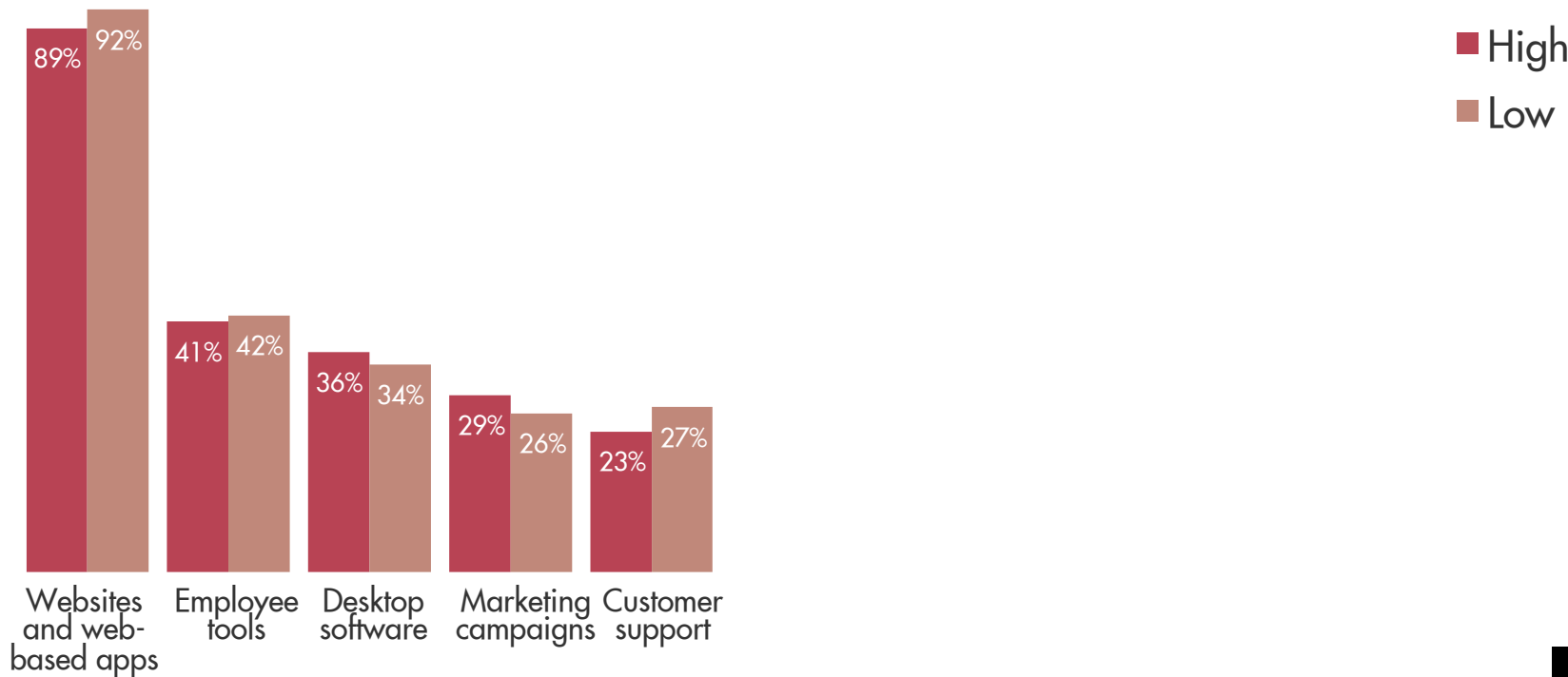Source: Leah Buley Co. State of UX 2016 Survey / Base: 266 respondents

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Behold: new school vs. old school org models.

Customer experience: Low 9%, High 55%
Design: Low 20%, High 51%
Hybrid/multiple places: Low 22%, High 41%
Product: Low 38%, High 35%
Technology: Low 47%, High 26%
Marketing: Low 50%, High 17%

Legend: ■ Low ■ High
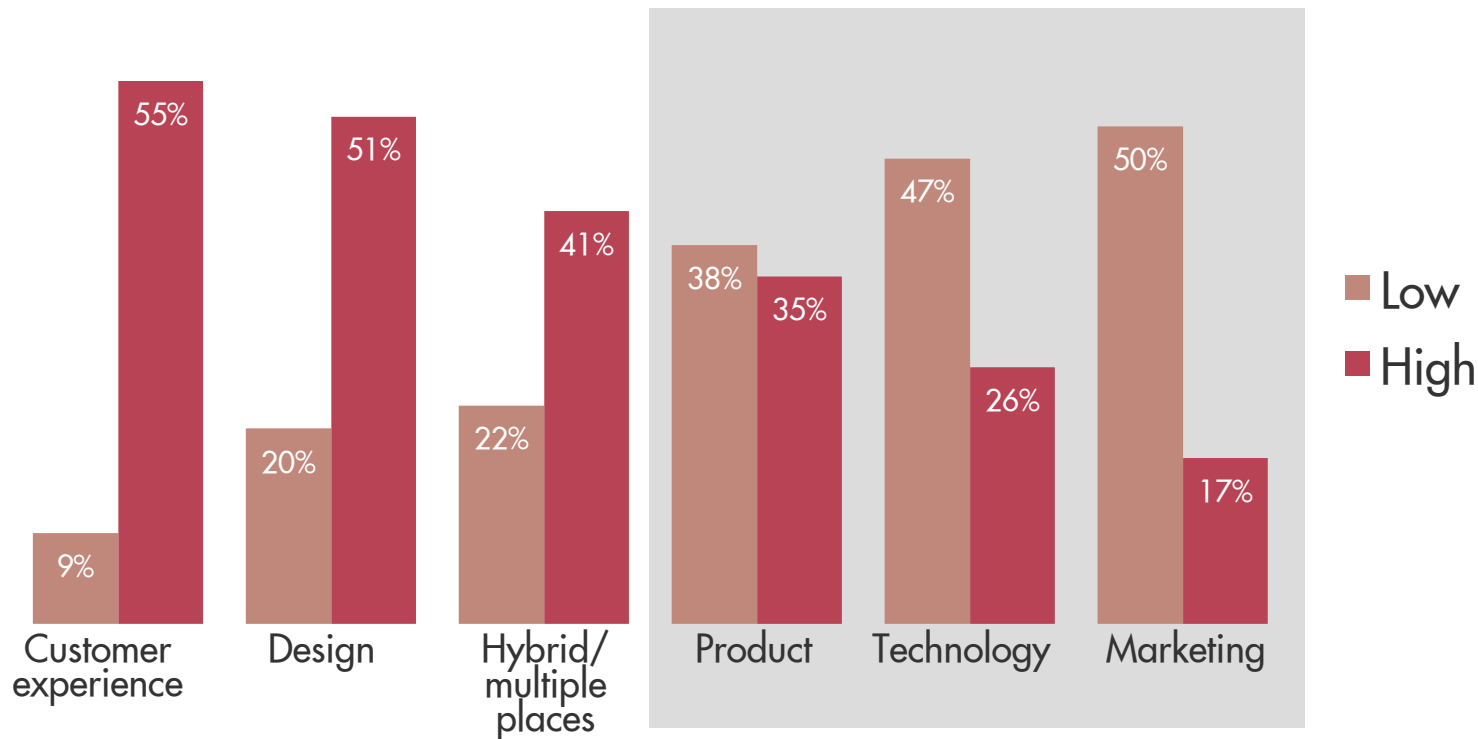
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What types of projects does your UX team work on?

■ High
■ Low

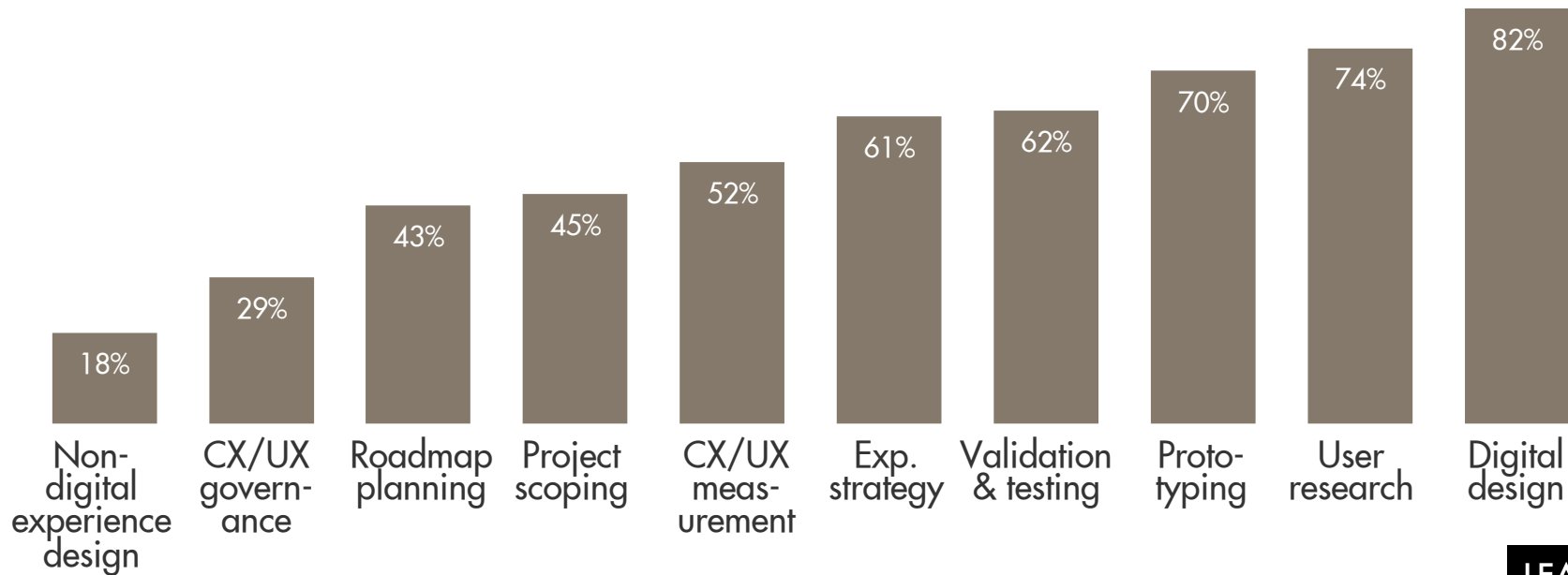|				
89% / 92%	41% / 42%	36% / 34%	29% / 26%	23% / 27%
Websites and web-based apps	Employee tools	Desktop software	Marketing campaigns	Customer support

Source: Leah Buley Co. State of UX 2016 Survey / Base: 266 respondents

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Signs of more holistic design among high impact teams
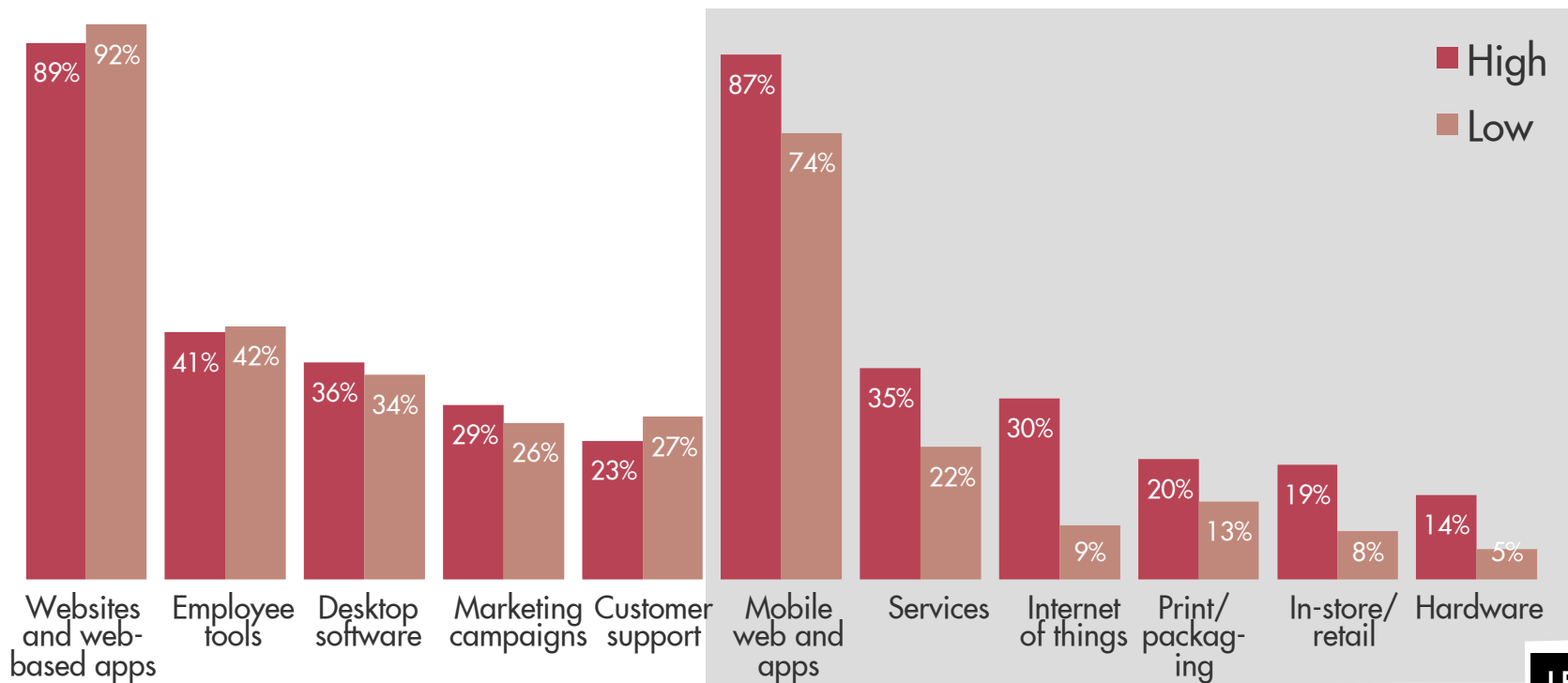
Legend: High, Low

	High	Low
Websites and web-based apps	89%	92%
Employee tools	41%	42%
Desktop software	36%	34%
Marketing campaigns	29%	26%
Customer support	23%	27%
Mobile web and apps	87%	74%
Services	35%	22%
Internet of things	30%	9%
Print/packaging	20%	13%
In-store/retail	19%	8%
Hardware	14%	5%

Which of the following activities does UX play a significant role in?

18%	29%	43%	45%	52%	61%	62%	70%	74%	82%
Non-digital experience design	CX/UX govern-ance	Roadmap planning	Project scoping	CX/UX meas-urement	Exp. strategy	Validation & testing	Proto-typing	User research	Digital design

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Which of the following activities does UX play a significant role in?

Legend: Low, High

Activity	High	Low
Non-digital experience design	29%	8%
CX/UX governance	41%	15%
Roadmap planning	55%	31%
Project scoping	63%	22%
CX/UX measurement	70%	34%
Exp. strategy	70%	42%
Validation & testing	72%	55%
Prototyping	79%	62%
User research	80%	60%
Digital design	85%	77%

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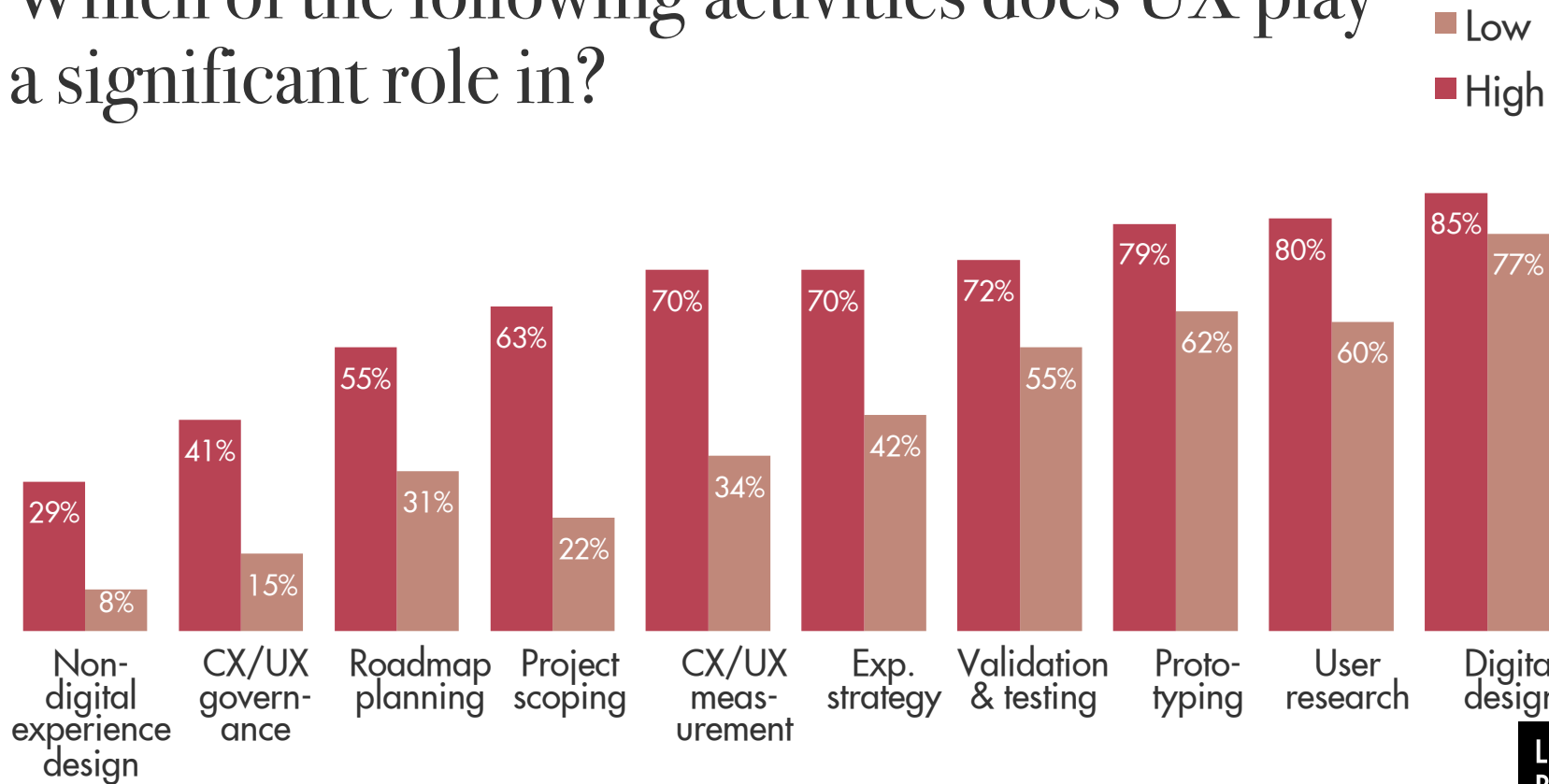
This suggests that UX advantages now come from how broadly UX can extend its reach.

Low
High

Category	High	Low
Non-digital experience design	29%	8%
CX/UX governance	41%	15%
Roadmap planning	55%	31%
Project scoping	63%	22%
CX/UX measurement	70%	34%
Exp. strategy	70%	42%
Validation & testing	72%	55%
Prototyping	79%	62%
User research	80%	60%
Digital design	85%	77%

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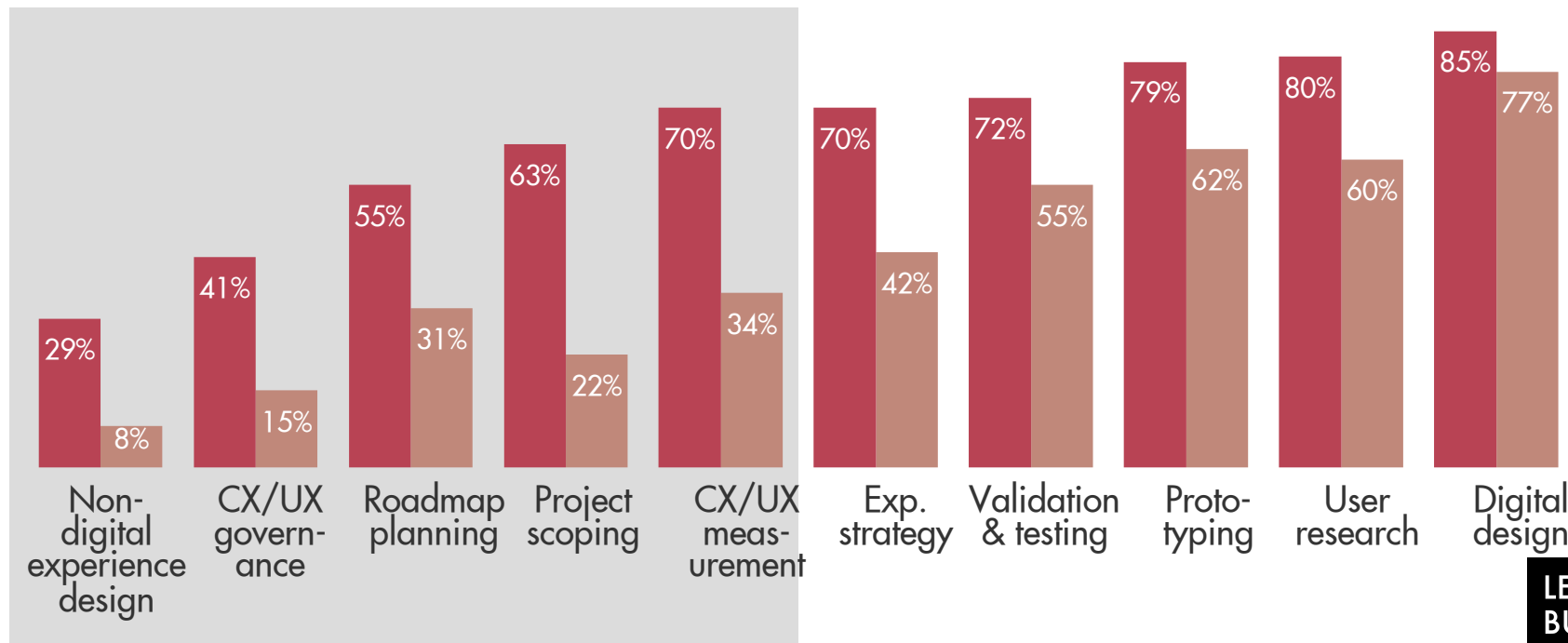
"When something goes wrong, it can usually be traced back to the beginning, from the acceptance of false premises. Hence on the one hand the importance of questions, and on the other, the resourcefulness of attitude that prompts them."

— Norman Potter, author of *What Is a Designer?* (1969)

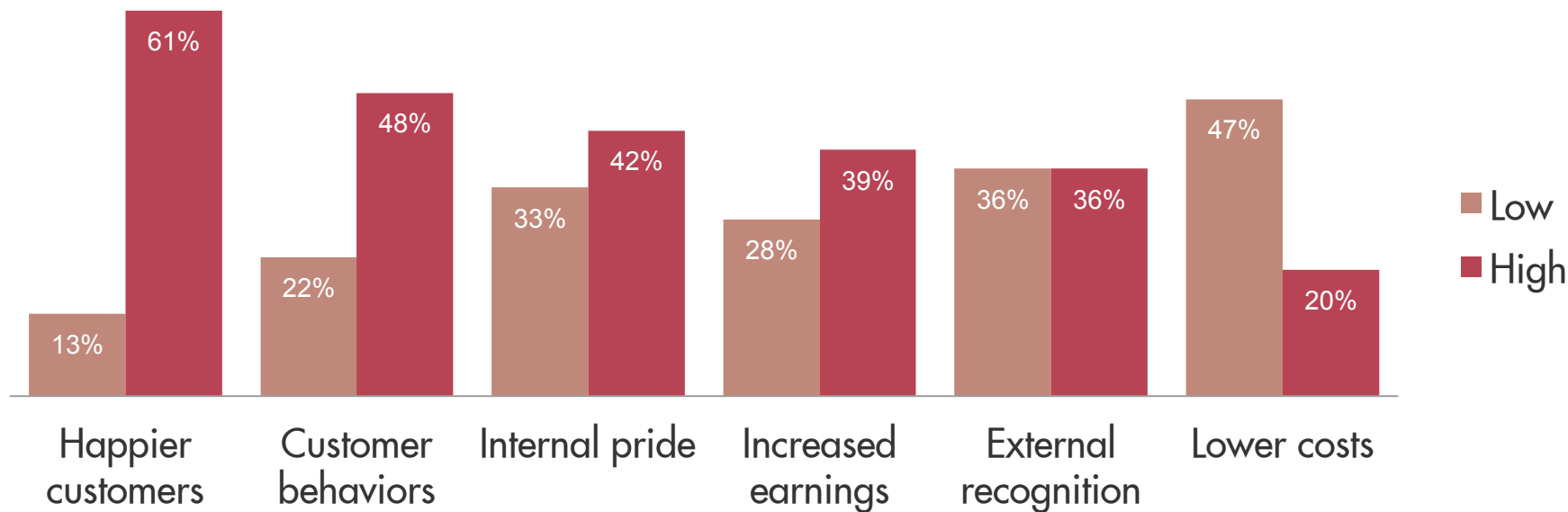# What measurable outcomes have resulted from user experience that you are most proud of?

"I would love to tell you, however we are moving so fast there has been no time or resources for testing/ outcomes –even for small usability improvements."
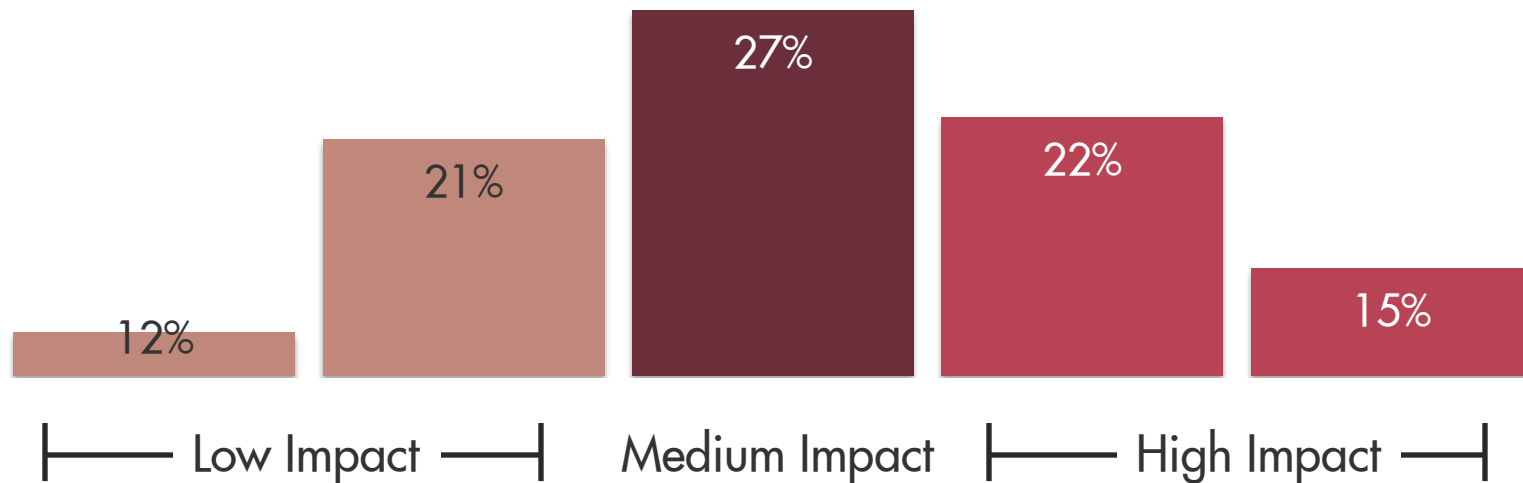
"Multi-million dollar increases in conversion and CLTV"

"Core funnel went from 25% to 50% since adding a UX Lead to the team"

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To what extent has your organization found UX to be a driver of the following measures?

Low
High

Happier customers: Low 13%, High 61%
Customer behaviors: Low 22%, High 48%
Internal pride: Low 33%, High 42%
Increased earnings: Low 28%, High 39%
External recognition: Low 36%, High 36%
Lower costs: Low 47%, High 20%

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So, if we revisit our original distribution, what have we learned?

12%

21%

27%

22%

15%

Low Impact ⊢ Medium Impact ⊢ High Impact

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Low impact UX looks like:

— UX is likely to be housed in IT, marketing, or product.

— UX focuses mainly on websites, marketing, and internal tools.

— UX works only on select digital channels.

— UX maybe does some research and strategy, maybe not.

— UX has little impact on requirements and standards.

— UX leadership no higher than manager level.

— UX:engineering ratios above 1:20.

— The company pursues UX primarily to reduce costs.

High impact UX looks like:

— UX is likely to be in own org with cross-functional influence.

— UX supports established and emerging digital channels,
    and maybe also service design.

— Research and strategy are standard parts of the process.

— UX directly shapes requirements, planning, and quality standards.

— UX leaders at or above director level.

— UX:engineering ratios probably in a sweet spot of 1:3-1:10

— The company pursues UX to create happier customers
    because happy customers are good for business.

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	OUTDATED	PROGRESSIVE	MODERN
SCOPE	Ad hoc, digital only	Multiple digital touch points	End-to-end, digital and non-digital
STRATEGY	Absent	Gather requirements	Set vision and shape roadmap aligned to firm strategies
RESEARCH	Usability testing, if that	Iterative testing, some generative research	Qual & quant drive hypothesis-driven experiments
DESIGN	Wireframes	Iterative process	Shapes experience standards
STAFFING	Generalist individual contributors	Full teams with research, ixd, visual design, prototypers	Executive leadership plus strategy & governance
ACCOUNT-ABILITY	Expected to reduce and keep costs low	Expected to keep the company competitive with current digital standards	Expected to generate value across customer experience via customer-centric improvements

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Modified from model developed at Forrester Research

How to introduce an
organization to
UX through
an inclusive
process.

THE USER EXPERIENCE TEAM OF ONE
A Research and Design Survival Guide
by Leah Buley
Foreword by Stephen Anderson

Model and inspire a mindset that competent UX is no longer optional.

THE USER EXPERIENCE TEAM OF ONE

A Research and Design Survival Guide

by **Leah Buley**

Foreword by Stephen Anderson

Cheers.

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