# How To Modernize User Experience

by Leah Buley, March 23, 2015

## KEY TAKEAWAYS

### Leading Firms Invest In UX; Those That Don't Leave Themselves At Risk

The importance of UX has matured in lockstep with the evolving role of software. UX professionals in forward-thinking firms now play a strategic role in shaping end-to-end customer experiences.

### But It Takes More Than Headcount To Realize The Benefits Of UX

Some firms see more impact from their UX investments than others. Laggards exist even among firms with large UX teams. Ultimately, it comes down to a firm's modern understanding of the UX skill set.

### Firms Should Examine Their UX Processes, Scope, And Staffing

Companies looking to catch up should audit their UX team in these three areas: UX processes, scope, and staffing. Targeted changes will make a big difference.

# How To Modernize User Experience
## It's Not Just About Usability Testing Anymore

by Leah Buley
with John Dalton and Corey Stearns

## WHY READ THIS REPORT

Today, user experience (UX) is a robust field combining elements of product design, service design, and innovation. But most customer experience (CX) professionals maintain a narrow view of UX, limiting it to mere usability or user interface design. Customer experience professionals who undervalue UX leave themselves at great risk because software-based and omnichannel experiences continue to reshape customers' perceptions and behaviors. This report details the methods that successful CX professionals will use to revitalize their UX capabilities and the business benefits that these efforts will deliver.

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## Notes & Resources

Forrester interviewed 23 vendor and user companies, including Continuum, Fjord, Grainger, Informatica, Livework, Tandemseven, USAA, Waters, Wiley, and Zipcar.

## Related Research Documents

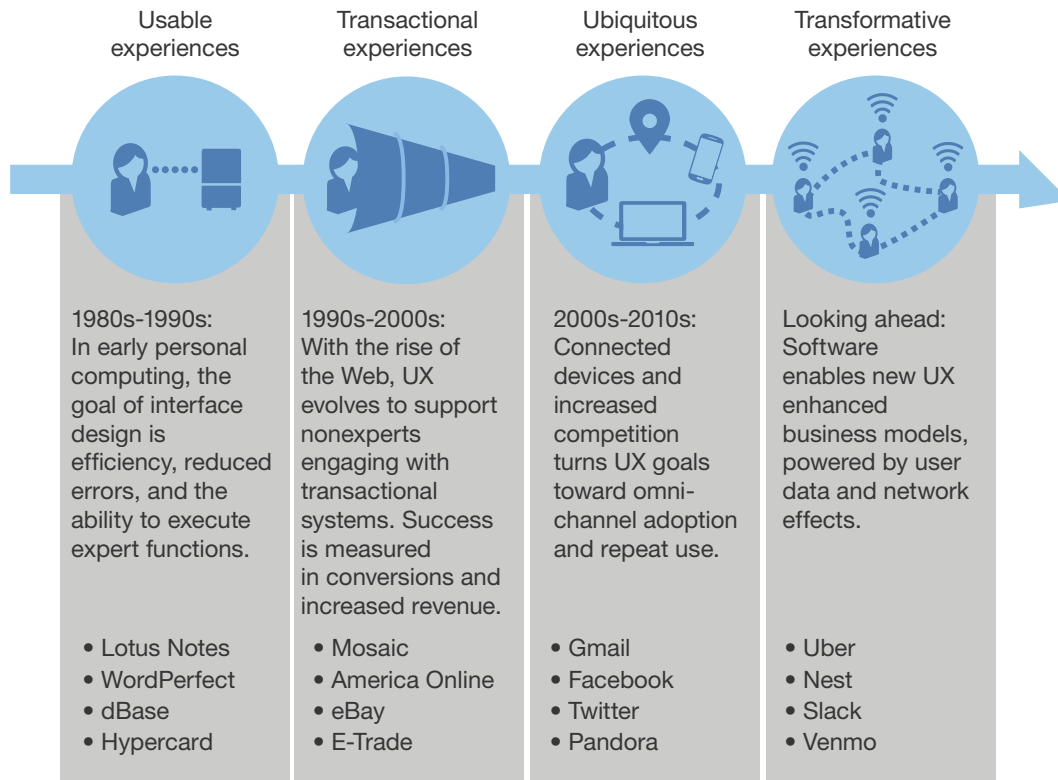Brief: Capital One Gets It Right With Adaptive Path Acquisition
November 21, 2014

## THE RISE OF USER EXPERIENCE

Bits and bytes shape how we work, communicate, move, socialize, find romance, consume, and play —they tie together everything but the kitchen sink (and soon that, too, if the Home Depot and General Electric [GE] connected home alliance bears fruit).[1] With software mediating so many interactions and relationships, the quality of our experience with it matters now more than ever. And CX professionals must understand that as the opportunities and challenges associated with software-based and augmented experiences evolve, the UX field will, too (see Figure 1):

- **The early years: usable experiences.** In the early days of personal computing, UX was known as human-computer interaction or man-machine systems. Its purpose was to enable people to control machines and use them for the sizable computational tasks that they enabled. Its goal was basic utility, making sure that users were able to complete tasks efficiently with minimal errors. This era's UX pioneers were academics with computer-science backgrounds, like David Canfield Smith at Stanford University and Ben Shneiderman at the University of Maryland.

- **The middle years: transactional experiences.** The Web democratized computing. It was no longer the exclusive domain of experts and professionals, and computers enabled novice users to research, compare, shop, and complain online. During this era, the degree to which UX helped an unprecedented range of end users find, navigate, and complete tasks determined its success; the number of visits, unique visitors, and conversions as well as shopping cart totals were the coin of the realm. Jakob Nielsen rose to fame by teaching UX principles for basic web usability, and Alan Cooper popularized funnel-friendly design tools like personas and scenarios.

- **Today: ubiquitous experiences.** The software-driven experiences consumers enjoy today cross channels, devices, and contexts. Forrester calls the technologies that enable these experiences "systems of engagement."[2] In this environment, UX professionals labor to drive adoption, stickiness, and deeper displays of affinity like user-contributed data or content. UX pros Luke Wroblewski and Dan Saffer now teach UX professionals how to think "mobile first" and design microinteractions, while MailChimp's Aarron Walter tackles big questions like emotional engagement.

- **Emerging: transformative experiences.** Big data and the Internet of Things will up the ante. The magic is no longer in the machine; it's in the machine's ability to make life better. These experiences are transformative for not only customers but also businesses. Venture capital investors now counsel portfolio companies to build UX into the very fabric of their firms.[3] A new crop of venture programs has sprung up to help experience designers start businesses.[4] Today's experience design gurus don't have time to pen a tome — they're busy building companies like Airbnb, Etsy, and Pinterest, all founded by designers.

*Figure 1* The Evolution Of User Experience



| Usable experiences | Transactional experiences | Ubiquitous experiences | Transformative experiences |
|---|---|---|---|
| 1980s-1990s: In early personal computing, the goal of interface design is efficiency, reduced errors, and the ability to execute expert functions. | 1990s-2000s: With the rise of the Web, UX evolves to support nonexperts engaging with transactional systems. Success is measured in conversions and increased revenue. | 2000s-2010s: Connected devices and increased competition turns UX goals toward omni-channel adoption and repeat use. | Looking ahead: Software enables new UX enhanced business models, powered by user data and network effects. |
| • Lotus Notes<br>• WordPerfect<br>• dBase<br>• Hypercard | • Mosaic<br>• America Online<br>• eBay<br>• E-Trade | • Gmail<br>• Facebook<br>• Twitter<br>• Pandora | • Uber<br>• Nest<br>• Slack<br>• Venmo |

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## The Smart Kids Trumpet Their Commitment To UX

Today, UX is an essential capability in any firm's CX practice, bridging businesses' and customers' goals (see Figure 2). Having got religion about UX, leading firms loudly proclaim to the media, analysts, potential customers, and investors that they:

- **Spend on it.** In 2014, IBM earmarked $100 million for experience design, GE added 60 designers to its design center of excellence, and even the laggards started to change their hiring strategies.[5] One UX recruiter reports a shift in hiring from individual practitioners to vice-presidential-level leaders who build out complete UX groups.

- **Cultivate it.** It is now common to see UX teams that number into the hundreds. Some of those big teams are at techy firms like Autodesk, eBay, and HP. But large teams exist in financial services, manufacturing, healthcare, and education, too. Design agencies like Fjord, Manifest Digital, and T3 report that they no longer have the need to explain the value of experience design to corporate buyers that they had even five years ago.

■ **Hunt for it.** Digital business leaders report that UX is currently the most difficult role for which to hire.[6] With an increase in demand and a shortage of talent, firms are getting creative. The more aggressive firms have bought UX teams wholesale. Adobe, Capital One, Facebook, and Square have all recently acquired design firms. And venerable GE showed up at San Francisco Design Week in 2014 with a bass-bumpin' party bus to encourage recruits to its San Ramon, California, location.[7]

**Figure 2** The Vital Role Of User Experience In Business
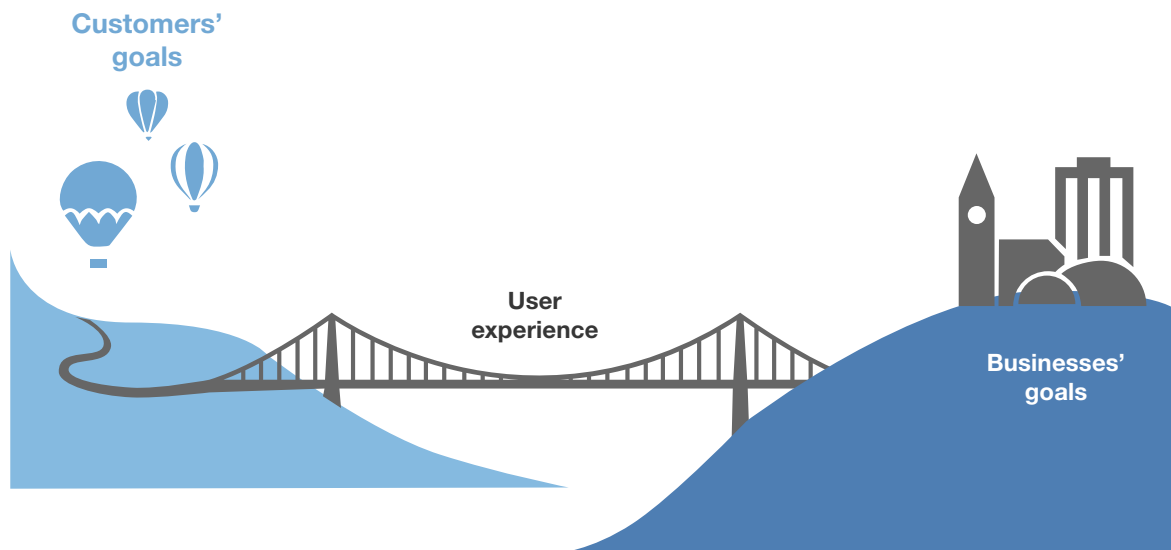


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### But Old Habits Are Hard To Break

As the need for advanced software design skills increases, firms increasing their investments in UX makes sense. But is that enough? Even a big team and a lot of resources are no guarantee that UX will play a strategic role. Advanced firms deploy UX skills on a range of products extending far beyond software design. They involve UX pros in a wide swath of activities ranging from experience strategy to nondigital UX design. And they see a greater relationship between UX and key performance indicators (see Figure 3). What holds the laggards back (see Figure 4)? Our respondents say that they are:

■ **Misunderstood.** Our interviewees confirm that too many executives' heads are stuck in the 1980s. Thinking of UX merely as digital interface usability rather than end-to-end experience design, firms end up treating this thoroughbred like an old nag.

> "[We have a] historical disregard for the importance of UX. Even though there is a new effort to focus on design from top-level management, there is still an ingrained belief that it is unimportant, and [we have] the habit of doing what we've always done. There's an unwillingness to incorporate design into everyday processes." (UX lead, a business-to-consumer software-as-a-service provider)

> "The organization has a lot of old-school ideas and leaders in positions of power. It is going to take time to convince them that what we've always done can be better. There is a lot of fear to adapt to new ideas even when shown the data." (Manager of UX, the retail industry)

■ **Disconnected.** In most firms, UX is disconnected from CX.[8] Where is it? It's stuck in a digital ghetto, spending more time advising engineers on where to place pixels than conducting research on customers to shape experience design. These decisions about org structure eventually affect strategy. Seventy-two percent of firms say that their marketing teams own digital customer experience strategy, while 57% say that technology owns UX strategy.[9] And what's the result?

> "UX is valued all the way up to the CTO, but marketing drives many of the initiatives. And they have their own ideas of good customer experience." (Director of UX, an enterprise IT solutions provider)

> "[UX is forever] misaligned in the organization, first with engineering, then sales and service (with CX), [and] now with product." (Director of UX, a customer intelligence software provider)

■ **Hamstrung.** Ironically, firms work hard to hire UX professionals out of a competitive talent market but then stop short of enabling them to fully do their jobs. User research is often the first casualty when cost concerns come into focus. Veteran UX researcher Nate Bolt says that design without research is like getting into a taxi and just saying "drive." But just 16% of firms regularly do ethnographic research on unmet needs.[10] Leaders aren't helping matters.

> "There is still too much objection against real user research, both doing the actual research and accepting the results afterwards. Leaders rely heavily on their own assumptions and do not want to see these contested. It takes multiple studies and lots of evangelism before they start to see the light. And even then we need to follow up everything closely, or they still change requirements back to their assumptions." (UX professional, a business-to-business [B2B] software-as-a-service provider)

> "We define projects and budgets first, then determine what we actually are trying to improve. We don't use data or insight into people's needs to drive scope and priorities." (UX professional, the insurance industry)

*Figure 3* The Differences Between Low- and High-Impact UX Teams

**"In your opinion, what is the level of strategic impact of user experience in your organization?"**
(Responses on a scale of 1 [very low] to 5 [very high])
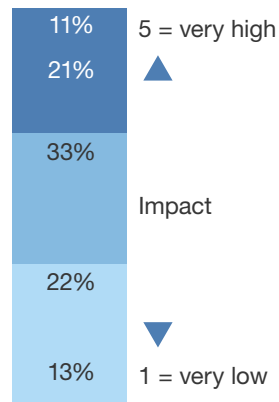
| | |
|---|---|
| 11% | 5 = very high |
| 21% | ▲ |
| 33% | |
| | Impact |
| 22% | |
| 13% | ▼ 1 = very low |

Base: 100 global CX professionals who have UX or CX departments in their organization
and who answered the question

Source: Forrester's Q4 2014 Global Customer Experience/User Experience Online Survey

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*Figure 3* The Differences Between Low- and High-Impact UX Teams (Cont.)

**"Approximately how many UX professionals does your organization employ?"**

Firms in which UX has low strategic impact*

Firms in which UX has medium strategic impact*

Firms in which UX has high strategic impact*

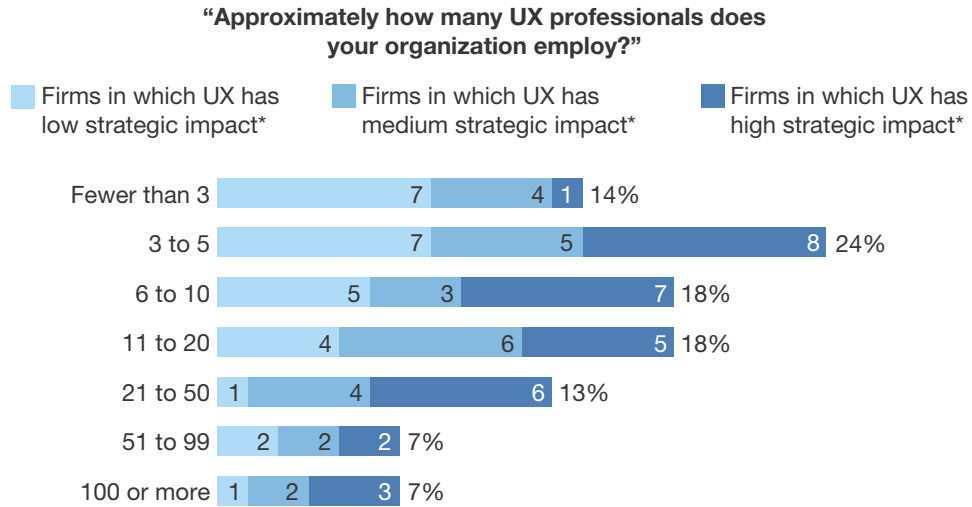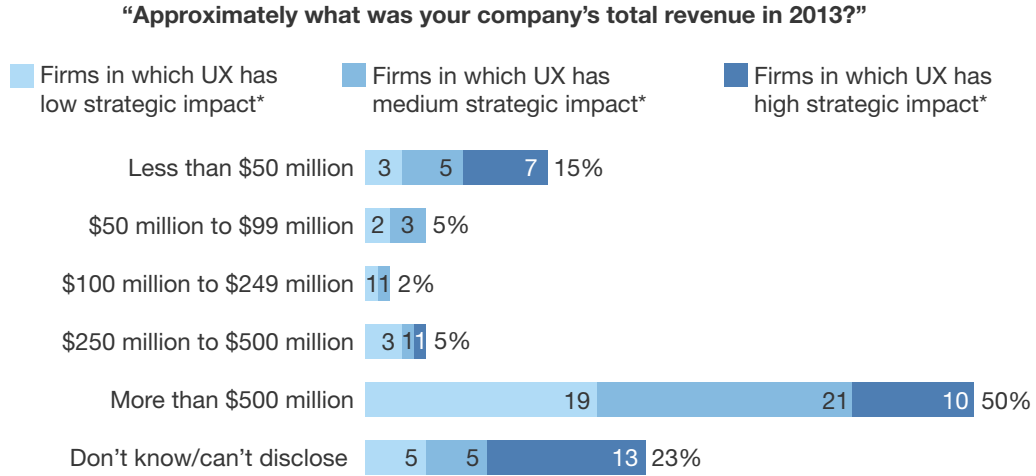| | Low | Medium | High | Total |
|---|---|---|---|---|
| Fewer than 3 | 7 | 4 | 1 | 14% |
| 3 to 5 | 7 | 5 | 8 | 24% |
| 6 to 10 | 5 | 3 | 7 | 18% |
| 11 to 20 | 4 | 6 | 5 | 18% |
| 21 to 50 | 1 | 4 | 6 | 13% |
| 51 to 99 | 2 | 2 | 2 | 7% |
| 100 or more | 1 | 2 | 3 | 7% |

Base: 85 global CX professionals who have UX or CX departments in their organization and who answered the question

Source: Forrester's Q4 2014 Global Customer Experience/User Experience Online Survey
*Respondents also answered this question, "In your opinion, what is the level of strategic impact of user experience in your organization?" Firms in which user experience (UX) had high strategic impact had respondents who answered 4 or 5 on a scale of 1 (very low) to 5 (very high). Firms in which UX had medium strategic impact had respondents who answered 3 on a scale of 1 (very low) to 5 (very high). Firms in which UX had low strategic impact had respondents who answered 1 or 2 on a scale of 1 (very low) to 5 (very high).

**Figure 3** The Differences Between Low- and High-Impact UX Teams (Cont.)

**"Approximately what was your company's total revenue in 2013?"**

◼ Firms in which UX has
low strategic impact*

◼ Firms in which UX has
medium strategic impact*

◼ Firms in which UX has
high strategic impact*

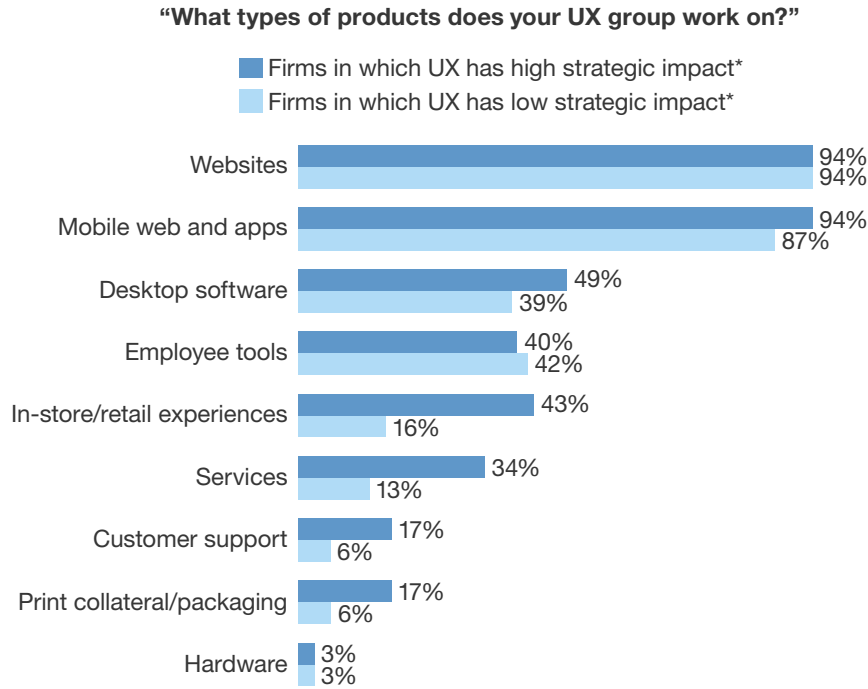| | | | | |
|---|---|---|---|---|
| Less than $50 million | 3 | 5 | 7 | 15% |
| $50 million to $99 million | 2 | 3 | | 5% |
| $100 million to $249 million | 1 | 1 | | 2% |
| $250 million to $500 million | 3 | 1 | 1 | 5% |
| More than $500 million | 19 | 21 | 10 | 50% |
| Don't know/can't disclose | 5 | 5 | 13 | 23% |

Base: 100 global CX professionals who have UX or CX departments in their organization
and who answered the question

Source: Forrester's Q4 2014 Global Customer Experience/User Experience Online Survey
*Respondents also answered this question, "In your opinion, what is the level of strategic impact of user
experience in your organization?" Firms in which user experience (UX) had high strategic impact had
respondents who answered 4 or 5 on a scale of 1 (very low) to 5 (very high). Firms in which UX had medium
strategic impact had respondents who answered 3 on a scale of 1 (very low) to 5 (very high). Firms in which
UX had low strategic impact had respondents who answered 1 or 2 on a scale of 1 (very low) to 5 (very high).

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*Figure 3* The Differences Between Low- and High-Impact UX Teams (Cont.)

**"What types of products does your UX group work on?"**

■ Firms in which UX has high strategic impact*
■ Firms in which UX has low strategic impact*

| | High impact | Low impact |
|---|---|---|
| Websites | 94% | 94% |
| Mobile web and apps | 94% | 87% |
| Desktop software | 49% | 39% |
| Employee tools | 40% | 42% |
| In-store/retail experiences | 43% | 16% |
| Services | 34% | 13% |
| Customer support | 17% | 6% |
| Print collateral/packaging | 17% | 6% |
| Hardware | 3% | 3% |

Base: 96 global CX professionals who have UX or CX departments in their organization
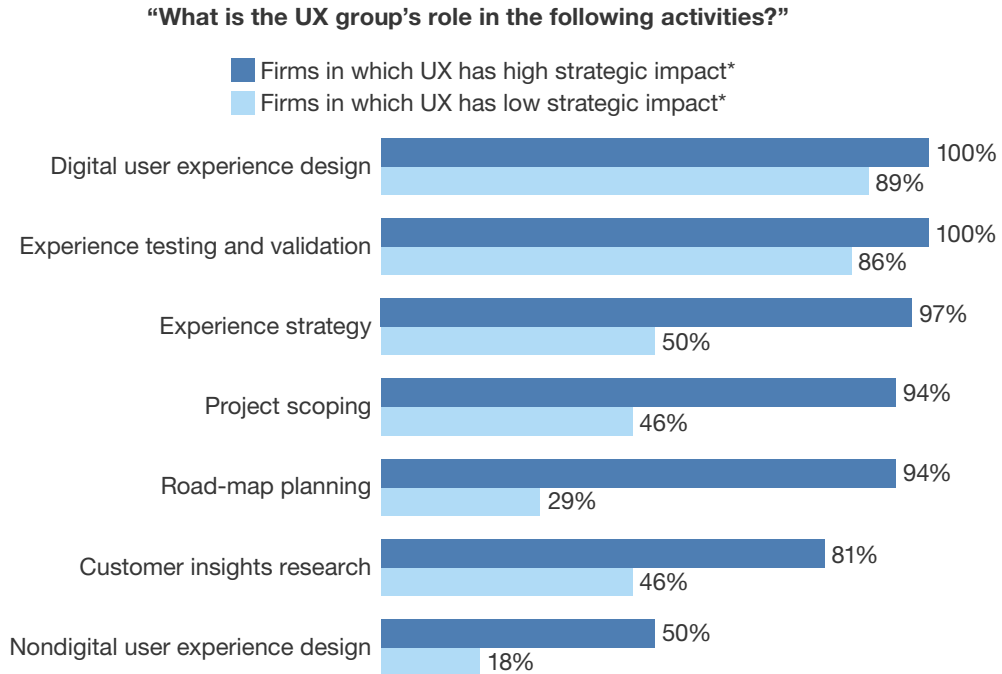and who answered the question
(multiple responses accepted)

Source: Forrester's Q4 2014 Global Customer Experience/User Experience Online Survey
*Respondents also answered this question, "In your opinion, what is the level of strategic impact of user experience in your organization?" Firms in which user experience (UX) had high strategic impact had respondents who answered 4 or 5 on a scale of 1 (very low) to 5 (very high). Firms in which UX had low strategic impact had respondents who answered 1 or 2 on a scale of 1 (very low) to 5 (very high).

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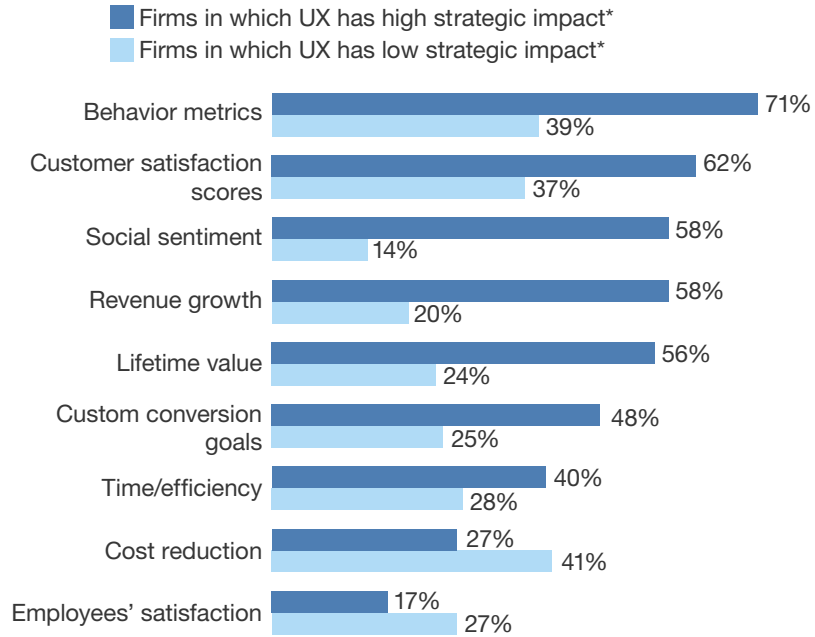*Figure 3* The Differences Between Low- and High-Impact UX Teams (Cont.)

**"What is the UX group's role in the following activities?"**

■ Firms in which UX has high strategic impact*
■ Firms in which UX has low strategic impact*

| Activity | High | Low |
|---|---|---|
| Digital user experience design | 100% | 89% |
| Experience testing and validation | 100% | 86% |
| Experience strategy | 97% | 50% |
| Project scoping | 94% | 46% |
| Road-map planning | 94% | 29% |
| Customer insights research | 81% | 46% |
| Nondigital user experience design | 50% | 18% |

Base: 89 global CX professionals who have UX or CX departments in their organization, who answered the question, and who chose "drives" or "contributes" from among the following answer options: "drives," "contributes," "downstream," and "no connection"
(multiple responses accepted)

Source: Forrester's Q4 2014 Global Customer Experience/User Experience Online Survey
*Respondents also answered this question, "In your opinion, what is the level of strategic impact of user experience in your organization?" Firms in which user experience (UX) had high strategic impact had respondents who answered 4 or 5 on a scale of 1 (very low) to 5 (very high). Firms in which UX had low strategic impact had respondents who answered 1 or 2 on a scale of 1 (very low) to 5 (very high).

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*Figure 3* The Differences Between Low- and High-Impact UX Teams (Cont.)

**"To what extent has your organization found user experience to be a driver of the following measures?"**
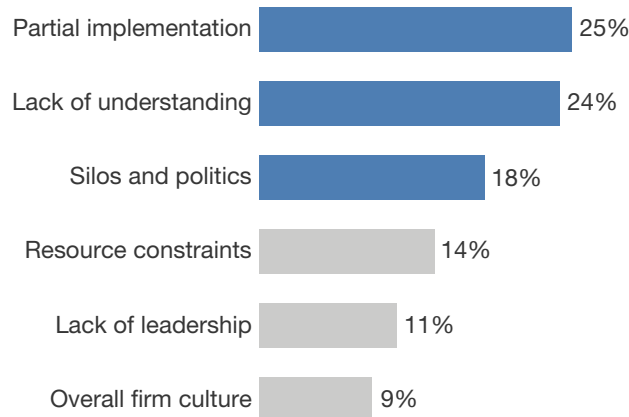
■ Firms in which UX has high strategic impact*
■ Firms in which UX has low strategic impact*

| Measure | High impact | Low impact |
|---|---|---|
| Behavior metrics | 71% | 39% |
| Customer satisfaction scores | 62% | 37% |
| Social sentiment | 58% | 14% |
| Revenue growth | 58% | 20% |
| Lifetime value | 56% | 24% |
| Custom conversion goals | 48% | 25% |
| Time/efficiency | 40% | 28% |
| Cost reduction | 27% | 41% |
| Employees' satisfaction | 17% | 27% |

Base: 85 global professionals who have UX or CX departments in their organization
and who answered the question
(multiple responses accepted)

Source: Forrester's Q4 2014 Global Customer Experience/User Experience Online Survey
*Respondents also answered this question, "In your opinion, what is the level of strategic impact of user experience in your organization?" Firms in which user experience (UX) had high strategic impact had respondents who answered 4 or 5 on a scale of 1 (very low) to 5 (very high). Firms in which UX had low strategic impact had respondents who answered 1 or 2 on a scale of 1 (very low) to 5 (very high).

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*Figure 4* What Leads To Low-Impact UX: Half Measures, Silos, And Basic Misunderstanding

**"What barriers prevent UX from having a greater strategic impact?"\***

| Barrier | Percentage |
|---|---|
| Partial implementation | 25% |
| Lack of understanding | 24% |
| Silos and politics | 18% |
| Resource constraints | 14% |
| Lack of leadership | 11% |
| Overall firm culture | 9% |

Base: 85 global CX professionals who have UX or CX departments in their organization
and who answered the question
(multiple responses accepted)

Source: Forrester's Q4 2014 Global Customer Experience/User Experience Online Survey
*Categories have been derived from free-form text responses.

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## Undervaluing UX Is Risky Business

As the CEO of Carey International recently acknowledged, Uber has rewritten the rules for every business.[11] Today, customers expect complex systems to feel simple, relevant, and even magical.[12] They expect software to permeate boundaries between devices — and even the physical world — and to do so gracefully. Without current and capable UX skills, firms risk:

- **Stagnation.** Firms are doing a lot to improve CX — asking for feedback, tracking customer interactions, and talking about the importance of CX to customers — but 68% say these measures are only "somewhat effective." Forrester finds that a serious deficit in experience design blunts impact.[13] How can firms expect to deliver transformative customer experiences without seriously engaging the experience design experts down the hall?

- **Exhaustion.** Teams that labor year after year on a find-and-fix road map risk becoming demoralized. One B2B firm reported that it has taken a year just to rationalize how UX relates to CX at its firm, and it expects that it will take another year to roll out that understanding across the firm. You don't have that kind of time. Working on a treadmill, frustrated UX professionals will leave for greener pastures.

- **Obsolescence.** One in two organizations feels unprepared to make the kind of changes that will be necessary to stave off disruption in the next three to five years.[14] They're right to have concern: The lifespan of companies is shortening.[15] For firms that have invested in UX, a critical tool for CX transformation is already on the payroll. But those that fail to leverage it to full effect will struggle to beat back competition from new entrants that have mastered experience design.

## HOW TO MODERNIZE YOUR UX PRACTICE

If you compare a glamor shot of groovy cutting-edge UX pros leading the experience design charge with the family photo of your UX team, a lack of resemblance might puzzle — or depress — you. Don't despair. In firms where outmoded understanding and low expectations have stymied UX, you may need to run an intervention. The good news: There is a path forward, it doesn't require hiring a phalanx of hard-to-find UX pros, and it is manageable. To get your UX practice on the right track, start by focusing on three key areas:

1. **Scope.** Does UX get involved in end-to-end customer experience design, or is it stuck in the digital ghetto?

2. **Process.** Does UX follow a formalized process that includes not only design but also research, strategy, and even governance?

3. **Staffing.** Does your UX team have the skills, capacity, and leadership to deliver exemplary results?

### 1. Scope

Outdated UX organizations turn to UX on a piecemeal basis, often too late in the project's life cycle for UX pros to exert meaningful influence. The more modern a UX organization becomes, the greater influence it will have over the end-to-end customer journey and the more discretion it will have to prioritize projects that will best affect that journey, regardless of channel or touchpoint. Here's how firms with modern UX practices do it:

- **Get UX involved early.** The UX team at Informatica developed a process called a "Jump Start Workshop." UX drives this three-day intensive, and the team builds high-level story maps, overall experience flows, and informal Kano models to identify basic experience expectations and customer delighters by working with development and product management. A professional tip? UX pros often have superb facilitation skills, so ask UX to help facilitate these meetings, especially during early efforts. At Mindbody, the head of UX deploys UX-friendly facilitation techniques in CX council meetings to help the group keep up the momentum.

■ **Empower UX to improve end-to-end customer experiences.** At Zipcar, UX "envisioners" design the ideal end-to-end customer journey. This journey ranges from mobile and web interfaces for customers to support tools that customer service representatives use and even the physical signage that helps members find a Zipcar in a parking lot. A professional tip here? Don't start making wireframes until this high-level vision is in place. Another professional tip? The UX group should always have two simultaneous work streams: a 500-foot view that focuses on getting the current release out the door and a 5,000-foot view of what's coming next within the context of a complete customer journey.

■ **Connect UX to brand, corporate, and CX strategies.** At MasterCard, UX leadership sits on a CX council that includes partners from customer care, business process improvement, marketing, and program management. Collectively, this group develops a three-year CX strategy. The professional tip: Include UX leadership on your CX council, if you have one. If you don't, require UX leaders to meet with partners in marketing, product, technology, and of course CX as a regular operating mechanism.

## 2. Process

Organizations with an outdated view of UX quibble about where to insert it into the dominant (often engineering-driven) process. The more modern a UX organization becomes, the greater power it has to shape internal processes to net better experiences for customers and outcomes for the business. Here are the hallmarks of a healthy UX process:

■ **Institutionalize customer research.** The importance of user research is hardly news, but firms still haven't gotten the message because so few do it regularly. As one vice president (VP) at Zipcar explained, adding behavior-based research to its UX practice brought deeper insight into customers' needs than mere quantitative data alone could provide.[16] Pro tip: Measure what UX veteran Jared Spool calls "user exposure hours" — the amount of time that employees observe customers on a regular basis. Ideally, all employees should have exposure to users, but you can focus on your UX team for starters. Spool's magic number is 2 hours per team member every six weeks.[17]

■ **Embrace UX strategy.** The UX strategy establishes the overall experience design direction — one that sits at the sweet spot between customers' needs, businesses' needs, technological capabilities, and competitive norms. In the beginning, UX managers often do the UX strategy. When the team grows big enough, this should become its own role. Pro tip: Bear in mind that UX strategy can be contested territory in firms with strong product management or business analysis disciplines. Explain to naysayers that UX strategists are an important partner to — but don't replace — those other roles, bringing customer centricity and design sensitivity to business strategy.

- **Design, test, revise, and repeat.** Design problems cost 100 times more to fix once they're live.[18] The prototyping and iteration that are central to modern UX practices mitigate this risk. But many experience design efforts fail because teams don't really iterate, and they don't really test. Pro tip: Cultivate a bias toward creation. If your team and stakeholders are spending a lot of time arguing about design, stop talking, make a prototype, and go A/B-test it.

## 3. Staffing

In organizations with outdated UX practices, developers, product managers, and other staff outmatch UX. When one UX professional is supporting multiple development teams, she doesn't have adequate time for design, let alone research. The resulting experiences can't help but suffer. Here are the staffing nonnegotiables for modern UX organizations:

- **Examine your ratios.** Look at the size of your UX organization relative to development and product management. A common rule of thumb is 1:2:12 — having at least one UX professional for every two product managers and 12 engineers. And for front-end-heavy products, that ratio moves to 1:1:4. At Medium, the ratio of designers to engineers is 1:6, and that's not enough designers, according to CEO Evan Williams.[19] Pro tip: To calculate your optimal ratio, think in terms of projects. The team at Yammer calculated that it needed roughly four engineers per project and that a UX pro could handle no more than three projects at a time, which led to an optimal ratio of 1:1:12.[20]

- **Hire researchers, period.** If your firm is still hemming and hawing about whether it needs usability testing, you've already lost the game. In modern UX, usability testing is a given, and the more innovative outcomes derive from exploratory research into unmet needs. End-to-end research and design require UX professionals with ethnographic research skills and the ability to envision holistic experiences. Pro tip: Don't assume that a UX generalist is also a research expert. Hire dedicated researchers. A good rule of thumb is one researcher for every two designers.

- **Beg, borrow, or steal strong UX leaders.** Firms like Kohl's, Opower, and Wal-Mart staff UX capabilities at the level of VP. Whatever the title, UX leadership should be a peer to other business leaders. This gives UX more muscle to ensure that experience design is a serious priority and shapes strategic road maps. Companies often search for UX leaders who can grow a team, manage up, and pinch-hit on design work. But like the mythical unicorn, this person does not exist. Here's the pro tip: UX leaders must foster a sense of urgency, excitement, and possibility around great experience design — not only on the UX team but also across the company.

## WHAT IT MEANS

## UX BRINGS CREATIVE DESTRUCTION TO ORG CHARTS EVERYWHERE

UX lacks a natural fit in most organizations today, bouncing between marketing, technology, and product. That's a sign that the structures needed to deliver great experience design don't exist in the reigning function-by-function operating model. The critical test of a firm will be how it addresses this issue. Does it pretend the problem is not there, or does it tackle it head on? CX professional should take note. How firms respond will shape their future, and here's how it will unfold:

- **It gets worse before it gets better.** CIOs who have been losing political ground over the years will realize that UX gives them power and will brandish experience design as a way back into areas of the business where they have lost ground. Meanwhile, as different parts of the organization discover the value of UX, they'll hire their own UX teams, creating disconnected pods. In the short term, all of this tumult will further fragment customer experience efforts. Companies that try to ameliorate the problem by tinkering with low-level reporting relationships will waste time, cause churn, and lose customers. Some will not survive.

- **Rising from the ashes, CX and UX finally get together.** Like Sam and Diane . . . like Harry and Sally . . . UX and CX are one of those fire-and-water couples that just makes sense. Firms will expand CX duties to include experience design for digital touchpoints, and this will force a reckoning. Forward-thinking firms will realize that UX and CX must operate together to be successful. Together, they have complementary skills and great passion for a common goal: improved customer experiences. When CX's business savvy combines with UX's customer-focused execution, they'll drive big change.

- **New operating structures and quality controls emerge.** Merged CX/UX teams will necessitate new patterns in organizational structures, heralding the end of the functionally organized business. These new org structures might be product-focused, they might be Holacracy, or they might be aligned with customer journeys, but they won't be parsed out function by function. With new structures come new quality controls. CX governance will expand to include the conceptual integrity of the experience design. Firms will transition from fixed-cost budgeting for experience design efforts to cost-plus budgets to reflect iterative design processes. Do-over funds will allow teams to stop and get it right when design quality wavers.

- **Professional education evolves.** The C-suite will become home to leaders with Masters of Fine Arts, anthropology, behavioral science, and human-computer-interaction pedigrees. MBA programs will see this coming and add design thinking and experience design to the core curricula. Conversely, experience design programs will place a bigger emphasis on management training. Joint MBA/design programs like the ones at the Kellogg School of Management at Northwestern University, IIT's Institute of Design at the Illinois Institute of Technology, and the California College of the Arts will multiply.

■ **Ever-helpful agencies develop services to manage all of this change.** As more companies build large in-house UX teams, experience design agencies will seek new differentiated offerings. Agencies have claimed for years that a side benefit of their design services is that they align organizations and cut across silos. They'll formalize this into explicit relationship management and organizational change offerings. A new breed of experience design consultant will emerge — one that focuses less on designing experiences and more on the experience of managing design. We're already seeing hints of this in consultancies like Manifest Digital and Radically Human.

## SUPPLEMENTAL MATERIAL

### Survey Methodology

We fielded Forrester's Q4 2014 Global Customer Experience/User Experience Online Survey to 112 CX and UX professionals. The sample consists of volunteers who participate on the basis of interest and familiarity with specific marketing and strategy topics. For quality assurance, respondents are required to provide contact information and answer basic questions about their firms' size and principal business.

Forrester fielded the survey from November 2014 to December 2014. Respondent incentives included a copy of a report resulting from this data.

Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

### Companies Interviewed For This Report

| | |
|---|---|
| Andrew Reise Consulting | Manifest Digital |
| Calpers | MasterCard |
| Continuum | Mindbody |
| EffectiveUI | NetIQ |
| Fjord | PayPal |
| Grainger | Principal Financial |
| Informatica | Rosetta |
| Livework | T3 |

| Tandemseven | Waters |
| True&Co | Wiley |
| TSB Bank | Zipcar |
| USAA | |

## ENDNOTES

[1] In 2014, crowdsourced product design company Quirky partnered with GE to begin selling connected home products in Home Depot stores. Source: "Quirky Establishes Wink as Standalone Business, Creates Open Platform for the Connected Home," Wink press release, June 23, 2014 (http://www.winkapp.com/press/quirky-establishes-wink-as-standalone-business-creates-open-platform-for-the-connected-home.html).

[2] Forrester has identified three classes of software that are essential for today's software-powered businesses. The centerpieces of this troika are "systems of engagement," which empower customers, partners, and employees with context-rich apps and smart products to help them decide and act immediately in their moments of need. See the May 16, 2014, "Brief: Systems Of Engagement Take Center Stage" report.

[3] After Kleiner Perkins made news by wooing design leader John Maeda, Koshla Ventures added UX veteran Irene Au as a partner. The role of these experience design professionals is to help portfolio companies embed UX design into their products and their firms.

[4] Novel venture programs have sprung up whose primary purpose is to groom and support designers to become entrepreneurs and start their own products. The Designer Fund is a community of angel investors whose mission is to "help designers create businesses with meaningful impact." Google is also investing in 30 Weeks, an experimental program that is described as a "founders program for designers." Source: Mark Wilson, "30 Weeks: An Experimental New Design School, Backed By Google," Fast Company, June 9, 2014 (http://www.fastcodesign.com/3031619/30weeks-an-experimental-new-design-school-backed-by-google).

[5] Source: Core Jr, "IBM to Invest $100m in User Experience Consulting, Hire 1,000 Employees across Ten Interactive Experience Labs Worldwide," Core77, March 27, 2014 (http://www.core77.com/blog/announcements/ibm_to_invest_100m_in_user_experience_consulting_hire_1000_employees_across_ten_interactive_experience_labs_worldwide_26688.asp) and Katie Fehrenbacher, "A behind-the-scenes look at how GE is using design to change how people use its machines," Gigaom, April 27, 2014 (https://gigaom.com/2014/04/27/a-behind-the-scenes-look-at-how-ge-is-using-design-to-change-how-people-use-its-machines/).

[6] UX tops the list of hard-to-fill roles, even above data scientists. Forty-four percent of digital customer experience decision-makers say they have a hard time recruiting UX designers and developers. See the April 1, 2014, "The State Of Digital Experience Delivery, 2014" report.

[7] Source: "Studio Tours, Day 1, June 17," SF Design Week website, June 2014 (http://sfdesignweek.org).

8  Seventy-two percent of UX professionals who responded to our Q4 2014 Global Customer Experience/User Experience Online Survey reported they are not affiliated with a CX group. The numbers break down into two groups: the 41% who said they are separate from their firms' CX team and the 31% who are separate by default because their firm lacks a formal CX function. Source: Q4 2014 Global Customer Experience/User Experience Online Survey

9  In fact, many groups own portions of a firms' overall digital experience strategy. Forrester found that sales organizations, marketing, technology, and even line-of-business owners all pony up funding and perform strategic services with respect to digital experience strategy. But judging by the numbers, digital CX strategy has the strongest tie to marketing, and UX strategy has the strongest tie to technology management. See the April 1, 2014, "The State Of Digital Experience Delivery, 2014" report.

10  Firms talk a lot about the importance of customer experience — with customers (98% ask for feedback), with employees (98% talk about the importance of CX internally), and with each other (84% share stories of CX best practices across the company). But what about just watching and listening? Only 16% of companies observe customers on a regular basis, even though unspoken needs uncovered through this line of research are often the source of CX innovation. See the December 30, 2014, "The State Of Customer Experience Maturity, Q4 2014" report.

11  "Uber changed the whole conversation about what a customer experience should be, and that was a big part of what is driving our digital transformation," said Gary Kessler, the CEO of Carey International, a chauffeured transportation service, at a recent NIT Technologies event. See the December 11, 2014, "Brief: Technology Spending Is Reaching A Tipping Point" report.

12  Don't confuse simplification with being simple. Simplified experiences bury complexity by being focused, fluid, and so attuned to context as to seem almost magical. See the November 10, 2014, "The Power Of Disciplined Simplification" report.

13  Only 29% of companies use a formal CX design process, and hallmarks of mature design practices such as prototyping and co-creation are even rarer. See the December 30, 2014, "The State Of Customer Experience Maturity, Q4 2014" report.

14  Source: "The Strategic Confidence Gap: Results From Our Survey on Strategic Readiness and Disruptive Change," Innosight, June 2014 (http://www.innosight.com/innovation-resources/upload/Innosight-Strategic-Readiness-Survey-Final.pdf).

15  According to a study of the S&P 500 by Innosight, the lifespan of a company is shortening. The average tenure of a firm on the S&P 500 was 61 years in 1958. By 2011, it was 18 years. Where do these firms go? Some are bought, but many simply fade away. Source: "Creative Destruction Whips through Corporate America," Innosight, February 2012 (http://www.innosight.com/innovation-resources/strategy-innovation/upload/creative-destruction-whips-through-corporate-america_final2012.pdf).

16  Lesley Mottla, former executive VP of global product and customer experience at Zipcar, explained in an interview for this report, "One of the critical pieces we added was people who are allowed to step back and look at the end-to-end journey in a way that's more behavioral. It provides insight that you're not going to get from your data."

[17] Source: Jared M. Spool, "Fast Path to a Great UX — Increased Exposure Hours," User Interface Engineering, March 30, 2011 (http://www.uie.com/articles/user_exposure_hours/).

[18] Source: Roger S. Pressman, *Software Engineering: A Practitioner's Approach*, McGraw-Hill, 2000.

[19] Source: "Gigaom Roadmap 2014," Gigaom, November 19, 2014 (https://events.gigaom.com/roadmap-2014/livestream/).

[20] Jim Patterson, former chief product officer at Yammer, offers this formula: "At Yammer, the ratio that we've [ . . . ] settled on works out to be 1:1:12 for product manager: designer: engineers. Twelve engineers roughly work out to be able to work on three projects simultaneously, say three teams of four engineers, and we've found that three active projects is about what [product managers] can handle given that they need to be working on specs for the next three projects and analyzing the data for the previous three projects. Also having a 1:1 product-manager-to-designer ratio is ideal and means things don't get blocked on design." Source: Quora "On average, what is the ratio of designers vs developers vs product managers for a web startup?" May 12, 2012 (http://www.quora.com/On-average-what-is-the-ratio-of-designers-vs-developers-vs-product-managers-for-a-web-startup).

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