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# Comparing Internal UXD Business Models

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**Abstract**

Experts in the field of HCI have spoken at length about how to increase the strategic influence of User Experience Design (UXD) teams in industry [3]. Some have offered courses in HCI management [1]. Others have presented recommendations on how to prove a return on investment for usability-related activities [2].

This SIG is an extension of the CHI experience report "The Internal Consultancy Model for Strategic UXD Relevance," [5] and explores four common UXD organizational models. In this SIG, we will develop a SWOT analysis (analyzing Strengths, Weaknesses, Opportunities, and Threats) of each model. The SIG will facilitate a systematic exploration by attendees whose organizations follow, or are considering, one or more of these models. It will result in a broader understanding for managers of UXD teams on how they can optimally structure their internal UXD functions, given their unique corporate environments and cultures.

**Keywords**

User Experience Design, Organizational development, User Experience Teams, Management.

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### ACM Classification Keywords

D.2.9 Management, D.2.10 Design, H.5.2 User Interfaces, K.6.1 Project and People Management

### Introduction

There are many business models that organizations can use to structure their internal UXD (User Experience Design) functions. Cisco employed many such models as the UXD group evolved from a single person, to 20, and then to almost 60. An internal consultancy model has best served the Cisco environment in the most recent past.

However, there are many such models, and while much has been written on organizational structures [1][2][3][4], it is not always clear which models are best for which organizations at any given point in their evolution. In this SIG, we explore these different models with the CHI community. We will share experiences and create a systematic exploration whose results can aid companies structuring their internal UXD functions.

### Some Business Models

Some common business models include:

**Centralized funding model**, with a large budget from one centralized organization, wherein the UXD Group is viewed as a cost center.

**Client-funded model**, where individual business units fund a central team that provides UXD resources to their teams, and one central UXD organization manages these people.

**Distributed model**, where there is no central UXD group. Rather, there are smaller groups of UXD practitioners that report directly into product divisions and focus only on the user experience of that division's products.

**Internal Consultancy model**, where highly focused teams of cross-functional experts provide in-depth UXD support on carefully selected products.

Of course, there are other models, such as the hybrid model, where companies have both a central team and distributed teams that work together symbiotically. Participants in the SIG have the opportunity to decide which organizational structures we will analyze.

### Analysis of Business Models

A common analysis technique for a business model is known as SWOT [6], which is short for:

- **Strengths:** attributes of the organization that are helpful to achieving the objective.
- **Weaknesses:** attributes of the organization that are harmful to achieving the objective.
- **Opportunities:** *external* conditions that are helpful to achieving the objective, and possibly other objectives as well.
- **Threats:** *external* conditions that are harmful to achieving the objective.

Beginning with a clear objective, a SWOT analysis provides a quick overview of how well a particular structure can achieve that objective. For our purposes, the objective is creating an organizational structure

within a company that best makes use of the company's UXD resources.

For example, here is a simple SWOT of the Internal Consultancy business model:

- **Strengths:** UXD professionals can choose products for which UXD will have the most effect and the best likelihood of success. They can then dedicate enough resources to ensure these projects succeed and achieve maximum ROI.
- **Weaknesses:** Many products that would benefit from UXD support are neglected, because teams focus only on the highest priority and opportunity projects.
- **Opportunities:** Because the UXD Group behaves much like an internal consultancy, it is able to increase its influence by subcontracting to external consultants. To the customers of the UXD Group (product teams), there is little difference.
- **Threats:** Neglected product teams may choose to seek their own UXD support, which can result in a proliferation of non-standard practices or even different UXD teams set up in a competitive structure.

### **SIG Goals and Plan of Action**

We will generate one set of SWOT analyses per business model chosen, in order to benefit organizations contemplating how to structure their internal UXD function. In this SIG, we will organize a discussion to:

1. Agree on 3 to 5 business models to discuss and analyze.
2. Discuss each model and elicit experiences from members of the SIG.
3. Collectively develop an initial SWOT analysis for each model.

The SIG facilitators will then compile these SWOT analyses submit them for publication in a UXD journal, listing attendees and company names of those interested in having their names included.

### **References**

- [1] Anderson, R.I. Managing User Experience Groups. Second Offering, UCSC Extension Silicon Valley Campus, Cupertino, CA (2006). <http://www.well.com/user/riander/mguxgrps.html>
- [2] Bias, R.G. and Mayhew, D. J. *Cost-Justifying Usability*. Academic Press, INC., San Diego, CA, USA, 1994.
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- [4] Nielsen, J. Corporate Usability Maturity: Stages 1-4. Alertbox, April (2006). <http://www.useit.com/alertbox/maturity.html>
- [5] Nieters, J, S. Ivaturi, and G. Dworman. The Internal Consultancy Model for Strategic UXD Relevance. CHI 2007 Proceedings (2007).
- [6] Wikipedia entry for SWOT analysis. [http://en.wikipedia.org/wiki/SWOT\\_analysis](http://en.wikipedia.org/wiki/SWOT_analysis)

## Supplementary Materials

*Community(ies) to which this SIG would be of interest*  
This SIG is about the management of design. Therefore, we are submitting this paper under the Management Track, but also feel that it is also highly related to the Design Track. It is not about design itself, but about the environments that foster design.

### *Assumed attendee background*

We expect the SIG to attract attendees interested in:

- Taking an active part in designing the organizational structure of their UXD function.
- Gaining a deeper understanding of how they can best take advantage of, and prevent problems with, the organizational structure of their UXD function.
- (For consultants) Serving their clients better by understanding the strengths and weaknesses of their clients' UXD organizations.

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### *Schedule of Discussion Topics*

- 5 mins: Introduction – goals of SIG
- 15 mins: Open discussion of potential business models, and vote for 3-5 business models to analyze during the SIG
- 15 mins: Discussion and SWOT analysis of business model 1
- 15 mins: Discussion and SWOT analysis of business model 2

- 15 mins: Discussion and SWOT analysis of business model 3
- 15 mins: Discussion and SWOT analysis of business model 4
- 10mins: Wrap-up and summary

### *Related CHI Events*

We have an accepted Experience Report that is related to this SIG and received very good reviews. We expect the Experience Report to generate some discussion, and would like this SIG to follow the presentation of our Experience Report (preferably later in the same day). The Experience Report is by Nieters, Ivaturi, and Dworman – “The Internal Consultancy Model for UXD Relevance.” This SIG also complements an accepted panel facilitated by Richard Anderson, titled “Moving UXD to a Position of Strategic Influence: Whose Advice Really Works?”

### *Invited SIG discussants*

We plan to invite managers from Yahoo, Sun, eBay and a few other companies with significant internal UXD functions. We have early interest from several such managers and anticipate their full participation in the discussions. This input will include which business models they use today and in the past, why they use the models, and their insights on the SWOT analyses overall. We expect the invited discussants to provide valuable insights and spark discussion among other SIG attendees.