



AXIOLOGIK

Introducing The Experience-Led Organisation

A New Paradigm For Digital Effectiveness

What this white paper covers

Today's digital world is fundamentally and radically different, even to that five years ago. To succeed, organisations are under enormous pressure to think and act differently at all levels, but this requires escape from the gravitational pull of legacy thinking.

What is needed is a new operating paradigm, where traditional 'givens' of structures and practices are integrated as a whole across business and technology, and continuously re-invented to improve effectiveness and drive better outcomes for customers. We call this strategic and systematic focus on value creation the Experience-Led Organisation.

In this paper, we discuss why so many of the transformation initiatives underway today are well-intentioned but likely to fail; why product-oriented initiatives are too narrow; and introduce the solution – the Experience-Led Organisation. It is an intentionally challenging paper designed to encourage you to *think differently*, the first step along the road to *being* different.

Contents

Introduction	4
Why customer experience transformation initiatives fail	5
Developer Experience - the new Customer Experience?	6
Towards a holistic model of 'experience'	8
Why things can be different this time	9
Services and why they matter	10
So what's a value stream?	12
The Experience-Led Organisation	15
So where do we go from here?	17

Introduction

Today, new types of “experience” seem to be appearing all of the time. Some, like customer experience, we’re familiar with, whereas others, for example developer and service experience, are less well understood.

At a recent ITSM conference, ‘service experience’ was the order of the day, with discussion focused on understanding how customers “felt” about service stability and the effectiveness of support channels, as a mechanism for driving organisational and process improvement. As discussions about new types of ‘experience’ accelerate, everyone seems to want to get in on the act.

Underlying every new initiative is a sense that how the organisation currently works isn’t how it needs to work in today’s world, that there are a set of things that the organisation ‘does’ which just aren’t hitting the mark anymore. This was the prevailing sentiment of the conference.

The challenge is that whilst great in isolation, every new ‘experience’ initiative is only a part of the picture, and risks shifting focus away from a much broader underlying problem that many organisations face - the pace of digital change required to meet customer expectations is accelerating, and many of our legacy structures, processes and ways of working are made for a different, more pedestrian era.

Today, customers expect to transact digitally, on any device, at any time, with a highly intuitive user experience, and to have meaningful support experiences when they need them. If they don’t get what they want, they’ll vote with their feet.

This puts enormous pressure on modern organisations to radically re-think their service propositions and to accelerate the process of value creation. This pressure often gives rise to classic initiatives to ‘transform’, which are doomed to failure from the start because they focus on improving one element of an already struggling operating model, rather than reengineering the whole operating model for the digital world.

There is an alternative, which we call the Experience-led Organisation, where the classical ‘givens’ of structures, hierarchies, working practices become secondary to the work to be done, a continuous and ongoing re-organisation and refactoring of fluid structures to maximise value, based on principles of user-centricity, lean thinking and principles of fast flow.

In this paper we discuss the characteristics of an Experience-led Organisation, and the challenges faced when embarking on a successful transformation journey.

First, we look at why the majority of customer experience initiatives fail, and why other initiatives focusing on different types of ‘experience’ are likely to follow suit. We’ll use the latest en vogue topic of ‘Developer Experience’ to explore this topic further, before discussing why things can be different this time and the need for a more holistic view of ‘experience’ based on services and value creation.

This is followed by a definition and overview of services and value streams, and why organisations need to take a radical, experience-led approach to their continual improvement in the pursuit of efficient value creation. We conclude with an overview of the Experience-led Organisation and where organisations should look to start their journey.

Why customer experience transformation initiatives fail

According to Gartner, 81% of customer experience leaders expect to compete mostly or entirely on customer experience¹, but only 22% reported their customer experience initiatives exceeded customer expectations².

Similarly, a 2018 survey³ by PWC of 15,000 consumers found significant gaps between what customers expect and the reality on the ground, with a comprehensive survey⁴ by Salesforce in October 2020 equally damning in the same vein. Of the 11,000 consumers surveyed by Salesforce, 65% expected a highly personalised customer experience that adapted to their changing needs and priorities. However, 61% of consumers felt most companies just treated them as a number.

It's in this gap between expectation and reality that the opportunity for competitive advantage and also disruption exists.

Despite a clearly addressable opportunity space and organisations pouring money into customer experience transformation, customer expectations are still not being met. So, why is this?

Underpinning the extensive research on reasons for failure, three key reasons surface repeatedly. These are:

1. The change to the customer experience isn't differentiated or coherent enough
2. Failure to deliver the deep-rooted organisational re-structuring needed for truly transformative experiences
3. Treating the initiative as 'once-and-done' rather than a continuous process of transformation.

To illustrate, 31% of respondents in a survey by Gartner reported their journey maps ended with purchase, lead acquisition, initial transaction or delivery of the product or service, omitting the important aftercare and customer lifetime management journey stages that follow. Similarly, in their State of the Connected Customer survey, Salesforce indicate that 76% of customers expect consistent interactions across departments, yet 54% say it generally feels like sales, service, and marketing teams don't share information.

This absence of 'whole service' thinking where part of the end-to-end journey is overlooked, arises because the desire to transform isn't strong enough to overcome the inertia of traditional structures, boundaries and fiefdoms and their inevitable resistance to change. The result is a customer experience that is acceptable politically within the organisation but lacking in terms of customer expectations.

At the highest level, all three reasons point to a failure to 'go far enough' in changing how an organisation thinks and operates, a notion that the current model and structures are the right ones and simply need to be tweaked rather than fundamentally re-engineered. And herein lies the problem – unless there is a clear and radical mandate to assert the primacy of the work over legacy structures and ways of working, then any attempts to transform are likely to deliver 'more of the same' than truly transformational customer value.

¹ <https://www.gartner.com/en/marketing/insights/articles/key-findings-from-the-gartner-customer-experience-survey>

² <https://www.businesswire.com/news/home/20180730005056/en/Gartner-Says-Customer-Experience-Pyramid-Drives-Loyalty-Satisfaction-and-Advocacy>

³ <https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/future-of-customer-experience.html?>

⁴ Salesforce, State of the Connected Customer, 6th edition.

⁵ <https://www.gartner.com/en/newsroom/press-releases/gartner-says-most-customer-experience-programs-are-not-deliverin>

⁶ Salesforce, State of the Connected Customer, 6th edition

Developer Experience - the new Customer Experience?

DevEx is a term that's been around for over 20 years, but there's a real chance you never have heard of it – something more surprising when you consider that **78% of organisations either have a DevEx initiative underway or planned, according to Gartner.**

The reason you might not have heard of it is the name itself, the suggestion that it's just something to keep the developers happy, rather than the significant organisational re-engineering initiative it needs to be.

In a digital arms race where speed matters, organisations increasingly understand the need to ship digital product faster and more efficiently. If development teams are the engine room of digital delivery, it makes sense that we need to start thinking about how to make the engine more efficient. Like customer experience transformation, organisations are 'betting the house' on DevEX initiatives having a transformative effect on their business.

According to a [Forrester survey](#)⁷:



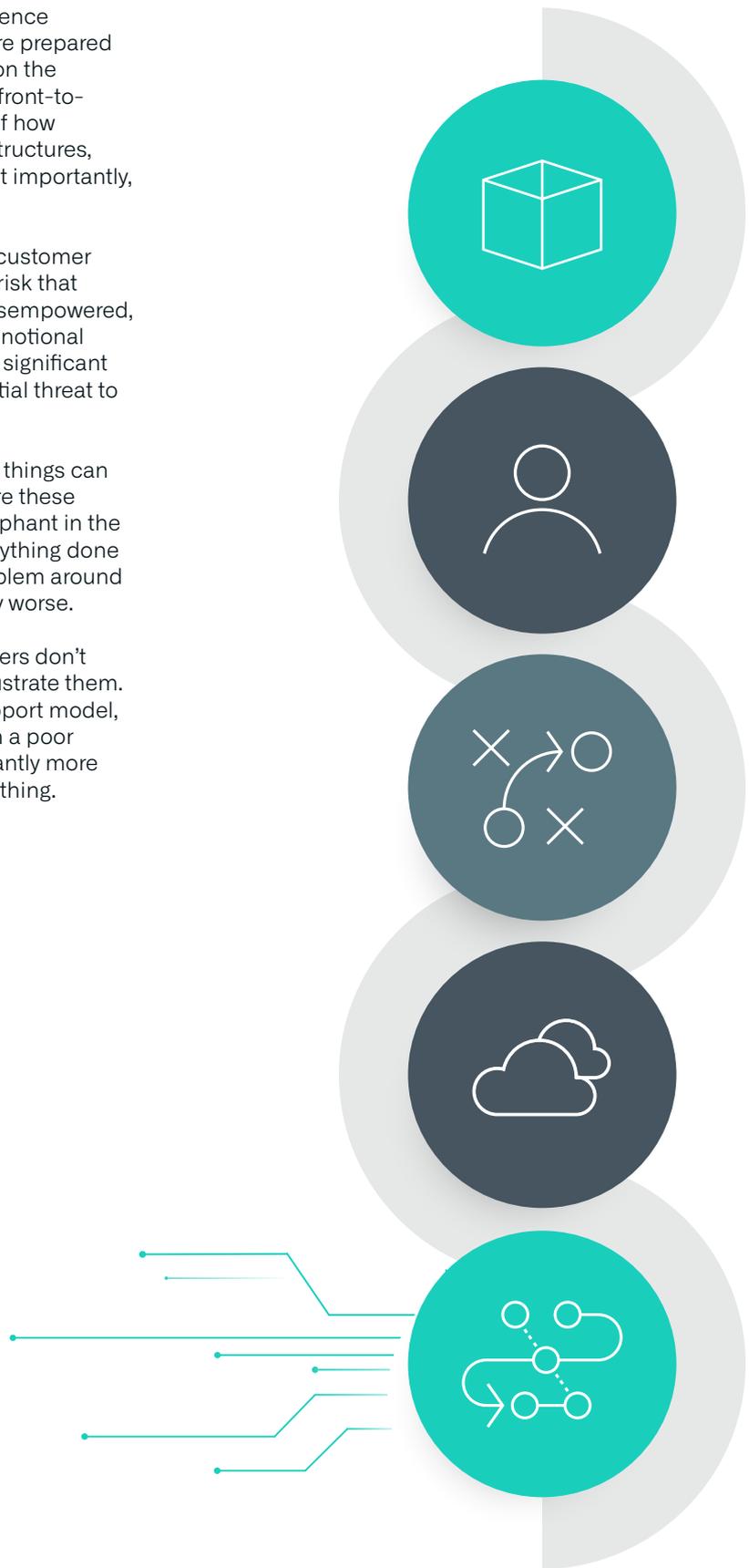
⁷ <https://humanitec.com/blog/key-findings-from-forrester-opportunity-snapshot>

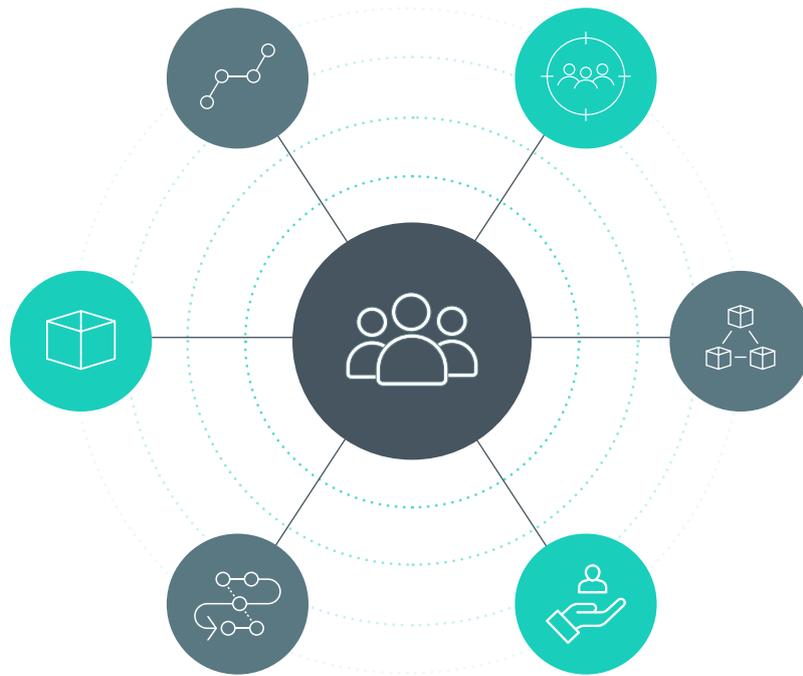
These are really significant business impacts. The problem though, like customer experience transformation, is how far organisations are prepared to go in pursuit of those goals. To cash in on the promise developer experience must be a front-to-back and top-to-bottom re-engineering of how development works across organisation structures, working practices, technologies, and, most importantly, culture.

Based on the historical success rates for customer experience transformation, there is a real risk that DevEx initiatives are watered down and disempowered, becoming just tinkering at the edges, and notional giveaways to claim progress. This will be a significant opportunity lost and constitute an existential threat to many organisations.

There are glimmers of hope, however, that things can be different this time around – we'll explore these below. However, the large and obvious elephant in the room needs to be acknowledged first – anything done in isolation is, at best, just moving the problem around and often makes the problem significantly worse.

Being better at shipping products customers don't want is likely to just bewilder users and frustrate them. In the same vein, without an 'on point' support model, a plethora of rapidly shipped features with a poor user experience is likely to have a significantly more negative impact than if you'd just done nothing.





Towards a holistic model of ‘experience’

Customer and developer experience initiatives are ultimately focused on changing ‘what’ an organisation does and ‘how’ it does it, in order to offer radically better services to customers and radically improve how those services are delivered.

Service, employee and any-other-experience-you-can-think-of transformation initiatives have exactly the same goal – changing services provided to deliver better outcomes, whilst re-engineering how those services are delivered to improve their efficiency.

None of these concepts are new, with extensive coverage in both lean and user-centred design. So, if these are well-trodden paths, then where are things going wrong?

The problem lies in focusing on a particular part of the puzzle without considering the wider, interconnected, fluid backdrop of systems, processes, teams and structures that enable a particular process or set of processes to be effective. For example, re-engineering customer journeys without also re-engineering the support offer is doomed to failure.

Similarly, attempting to transform developer experience without also considering the broader organisational support structures is likely to overlook key areas of pain – if you’re struggling to deliver because of personnel shortages, the effectiveness

and cycle time of recruitment mechanisms suddenly becomes very important.

Every new ‘experience’, whilst well intended, risks fracturing the problem space and inviting focus at the wrong level – i.e. a level where the dots can’t be joined and the potentially disruptive changes required can’t be envisioned or commissioned. The magic only comes when organisations realise the fundamentally interconnected nature of all these ‘experiences’ and grasp the need to improve them incrementally, in lockstep, as an integrated whole – i.e. a systematic and holistic focus on improving ‘what’ we do at the same time as ‘how’ we do it.

NB: we still see value in organisations using terms like customer, service, developer and employee experience and agreeing measures to gauge their effectiveness. The problem resides where accountability for ‘improving’ these experiences is subsequently devolved into parts of the organisation structure where they are considered in isolation and without the remit to change the wider organisation.

Why Things Can Be Different This Time

So, if the many of these concepts are common and already understood, why should we have confidence things can be different this time around? For this, there are three key reasons:

1. User-centred design practices (especially service design) are increasingly prevalent and better understood. This encourages more open and transparent dialogue around what end-to-end, customer-facing services must encompass and how organisations must change to deliver them (as opposed to just doing the best within existing structures and constraints). In the UK, pioneering work by the Government's Digital Service (GDS) has played a leading role in making user-centred design and transformative 'service thinking' more 'mainstream'.
2. There is significantly increased understanding at all levels in organisations that **how** things are done is equally as important as **what** is done - i.e. how value is created within an organisation is a key determinant in whether organisations succeed or fail. In digitally intensive industries, works such as Accelerate have been instrumental in building this awareness.
3. There is an increasing body of work relating to 'sociotechnical' practices, the most important of which, **Team Topologies**, is paving the way in helping organisations think about **services, eco-systems, flow** and **value creation** in easily understandable ways. Whilst many organisations may have understood the theory, the absence of toolkits and practical guidance has often been problematic.

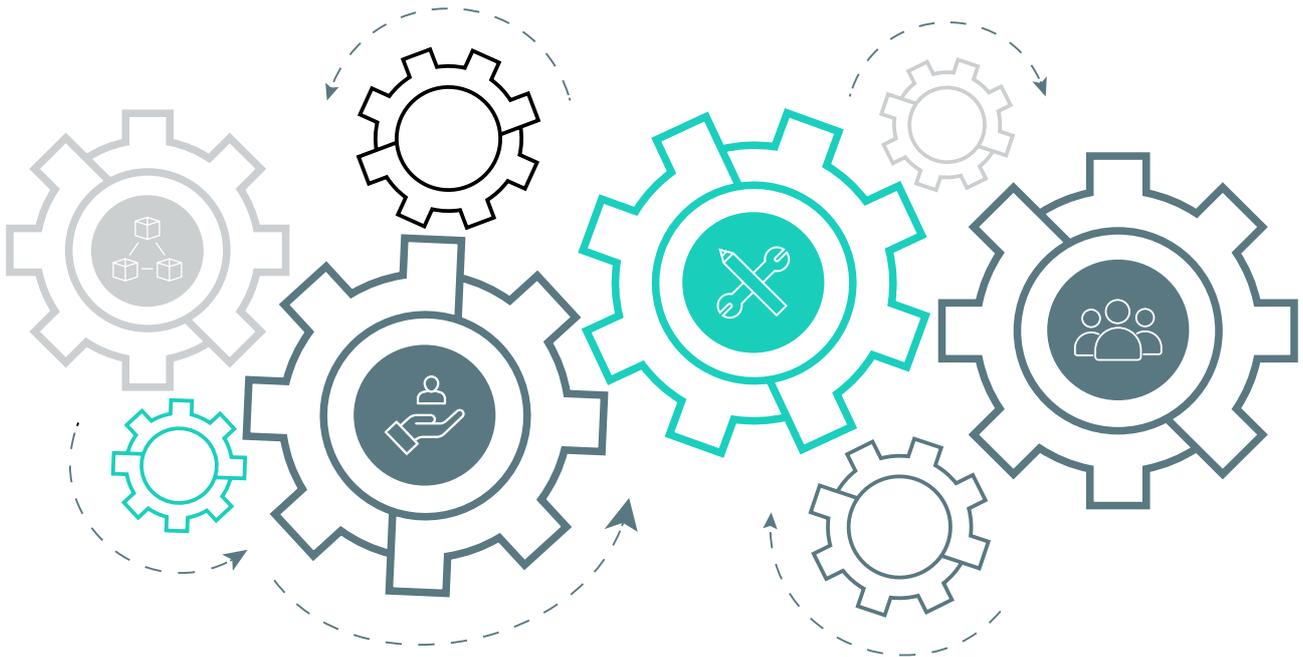
This is where works like **Team Topologies** and **Sooner Safer Happier** fit in. as they introduce the idea that nothing can be fully independent in the modern enterprise. But this can only go so far. To paraphrase Henry Ford, what if we need a car, not a faster horse?

Lean practitioners may argue there's little new here. Value stream analysis and management, Kaizen improvement cycles, waste elimination, visual management, lean product flow etc have been around for significant periods of time. We completely agree. The difference now is the elevation of these discussions to the boardroom, driven by less opaque terminology and easier-to-grasp concepts. The instant popularity and rapid rise of works such as Accelerate, Sooner Safer Happier and Team Topologies are testament to this.

Where this becomes really powerful is where the three points above meet and the possibilities this enables - a constant, user-centred re-engineering of value creation and the fluid re-assessment of underpinning processes, structures and hierarchies to maximise results enterprise-wide, where nothing is sacred, and no stone is left unturned. It's at the convergence of these three points where the Experience-Led Organisation is to be found.

For this to make sense, we'll now explain two key concepts and why they matter - services and value streams.

Works like Team Topologies help us to conceptualise dependencies and provide tactics to smooth them. The most progressive organisations are now starting to think about how to optimise eco-systems around product teams through a variety of tactics, including more usable, self-service platforms and concepts like 'team APIs'. This eco-system thinking is already way beyond most 'product-led' transformations, which typically focus on creating 'full stack' product teams with full accountability for their business results and ability to set their own priorities. Whilst this is a great first step, the reality is that often the problems faced by product teams reside outside their sphere of influence and in their interactions with other teams, systems and processes.



Services and why they matter

Defining the term ‘service’ traditionally incurs widespread wrath from thousands of individuals, all with different opinions and conflicting views.

Throwing caution to the wind, let’s assume a service is ‘something provided to a consumer to meet a need’. The steps that consumers go through when using a service are customer journeys. How they *feel* when using those customer journeys (or the absence of journeys) is their *experience* of the service.

Good experience scores are synonymous with a well-functioning service, at least from a consumer perspective. Quantitative measures like adoption, conversion, cost per transaction and cost of failure demand are also important to understand the holistic impact of your services, but ‘experience’ acts as meaningful lead indicator – if consumers don’t like using your services, it’s unlikely your adoption and conversion rates will be heading in the right direction.

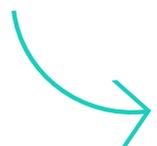
Services exist at every level in an organisation, from big-ticket, customer-focused services (e.g. booking a hotel room online) through to more technical, internally facing services (e.g. provision of APIs) and services provided by corporate functions (e.g. recruitment). Measurement of experience alongside

the more quantitative metrics described above (adoption, conversion etc) can and should be applied to each of these services.

At the highest level of abstraction are the big-ticket services that organisations offer to customers, and which are its reason for being. Lou Downe, formerly of the UK’s Government Digital Service and author of ‘Good Services’, referred to these as ‘whole services’ in a 2016 blog post⁸, with the following characteristics:

- **from end-to-end:** this means from when the user starts trying to achieve a goal to when they finish – including both content and transaction agnostic to the department providing it
- **from front to back:** this means the user-facing service, internal processes, supporting policy or legislation and organisational, financial and governance structures of the service
- **in every channel:** digital, phone, post, face to face and physical elements

⁸ <https://gds.blog.gov.uk/2016/04/18/what-we-mean-by-service-design/>



Lou’s definition is useful in that it elevates discussions to the highest level about ‘what are we here to do’ and also highlights the nested nature of services required to deliver a whole service.

Consider a service for customers to book hotel rooms online across thousands of hotels. The booking portal itself will contain a high number of features to allow end users and hotels to:

- Describe the hotels and their features
- Search for and find accommodation that meets customer requirements
- Leave reviews and feedback on stays
- Create accounts to remember preferences, enable loyalty rewards etc

Each of the above are lower-level services within the concept of the ‘whole service’, but each is important in its own right. If any one of them doesn’t meet user needs, it will impact the effectiveness of the overall service.

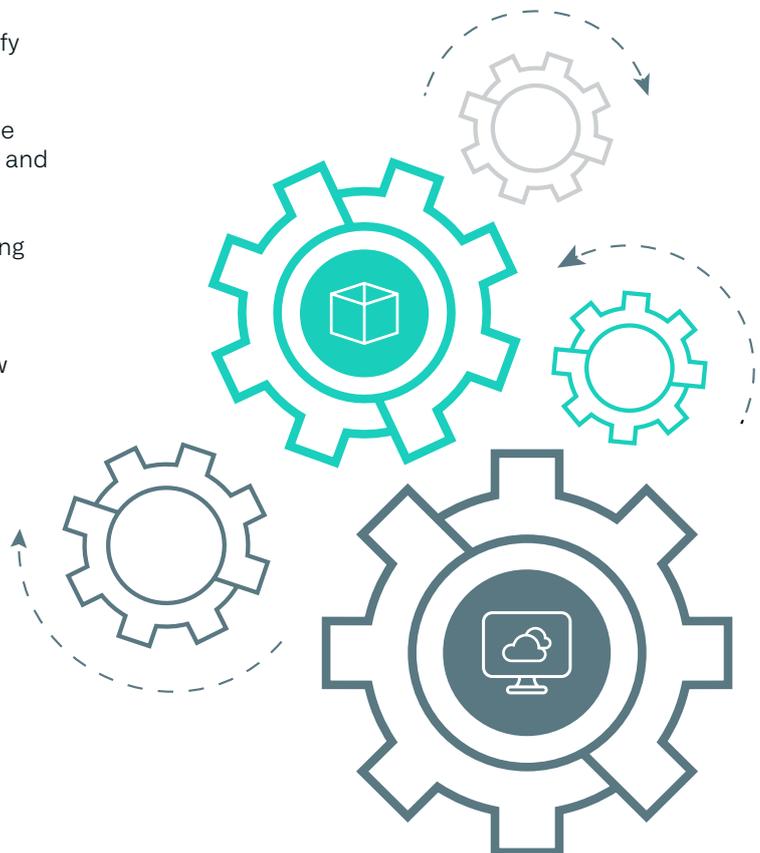
But it doesn’t stop there. Beyond the booking portal, there will be a myriad of other services involved in allowing customers to book hotel rooms. These include, amongst many others:

- Infrastructure services which allow everything to run – e.g. cloud services.
- Identity management-type services to identify end users and business users.
- Integration brokers and middleware to enable communication between the booking portal and hotel systems
- Typical ‘platform’ services like auditing, logging etc to allow services to be monitored and administered
- Support services, e.g. support desks, to allow end users to get help when they need it.

Every service within this complex set of interdependencies is there for a reason – i.e. it is there to meet the needs of users, whether customers, internal users or systems. If these needs are not met, at any level, then it will impact the effectiveness of the ‘whole service’.

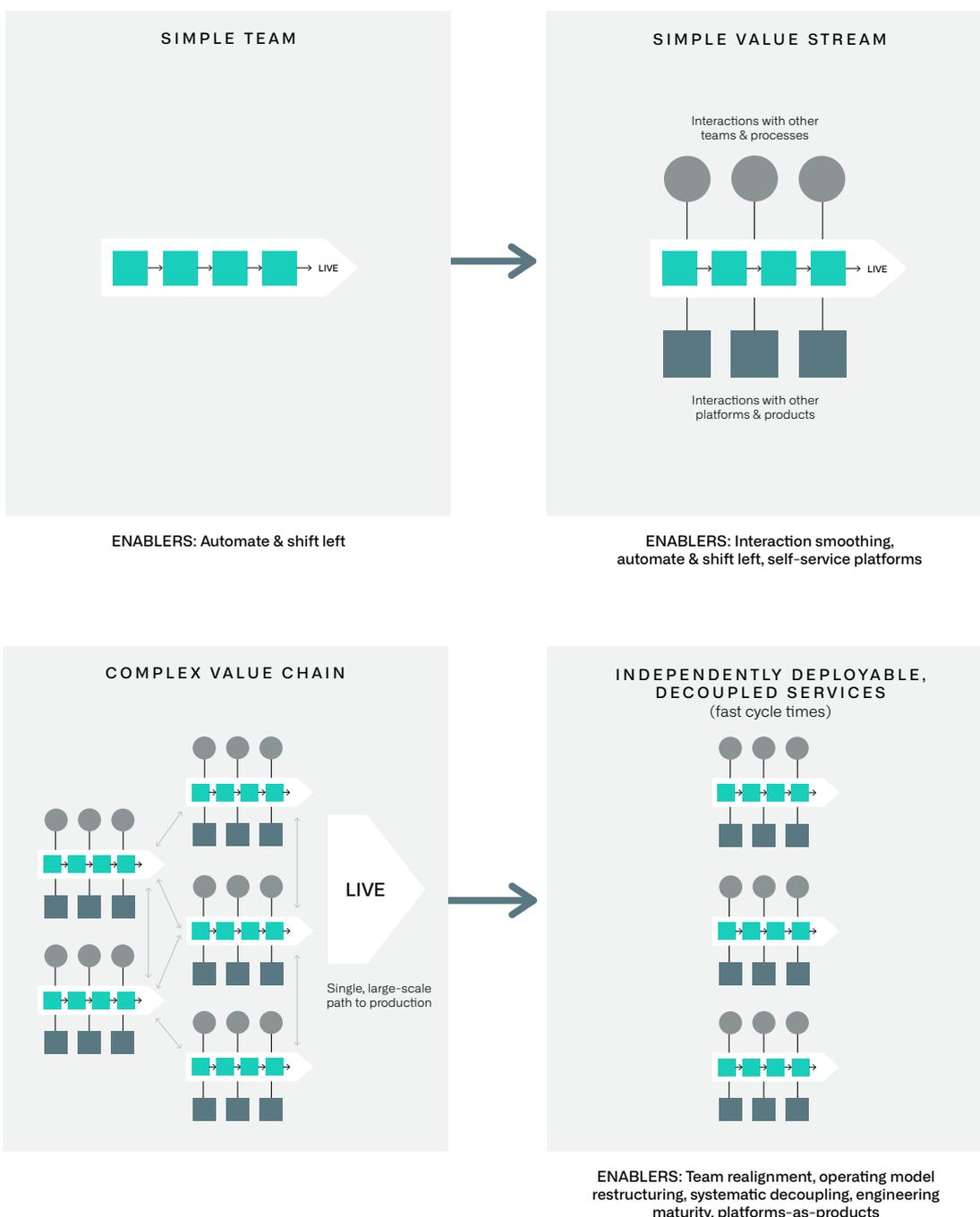
To be truly excellent, organisations must combine the right vision for their whole services with component services that operate in perfect unison to deliver on user needs.

Perfection, however, can’t exist because consumer needs evolve, competitors improve and organisations are encumbered by the limitations of legacy technologies. This means success, therefore, depends on how fast you can go in continuously improving your services – i.e. being better at the ‘what’ is fundamentally linked to being better at the ‘how’. This is where value streams come in.



So what's a value stream?

Underneath every service, whether internal or externally facing, is a value stream. A value stream comprises all the steps needed to create or iterate a service, including all interactions with other teams and services, the activities required for the team to do the work and any corporate processes to be undergone (e.g. governance, compliance, risk).



The goal of any value stream is the ability to cycle quickly and efficiently whilst delivering the intended result. Value streams operate at their most effective when work passes through a single team and where there are no dependencies on any other teams or services for work to be completed.

However, this isn't the reality in which most organisations operate, with complex dependencies across teams, platforms and organisational processes taking place in every delivery. The more systems and teams involved, the bigger the network of dependencies and interactions to manage, each of which risks slowing the whole thing down.

Example 1

Continuing the example from earlier, a team wishes to start developing on the hotel booking portal. To achieve this, it needs new cloud environments and has to wait for the cloud platform team to create them on their behalf. The platform team is busy doing other work, and therefore, the development team is delayed.

In this scenario, the platform team is providing a service to the development team (i.e. creating cloud infrastructure on their behalf), but it doesn't meet the development team's need for speed. From the perspective of the development team, a better service offering from the platform team would be the ability to self-vend cloud infrastructure with the appropriate controls and guardrails from a centrally managed cloud platform.

Example 2

To create the portal, three architecturally-aligned teams need to collaborate (presentation layer, business logic, data layer). Orchestrating design, build, test and release activities across these three teams is complex, and there is the likelihood of rework as the work comes together in later stages.

Because these teams are cross-cutting, architecturally aligned teams, they are also likely to be balancing multiple demands for their time. Unless everyone is working to the same priority list, then there is the risk of introducing further delay. In addition, there are complex dependencies to manage to make the products 'work together', from cross-product service design to managing integration complexities across teams during construction and QA.

Whilst this would become much simpler if a single, full-stack team existed to create all elements of the new service, it would require a restructuring of the architecture and team accountability model to achieve.

Example 3

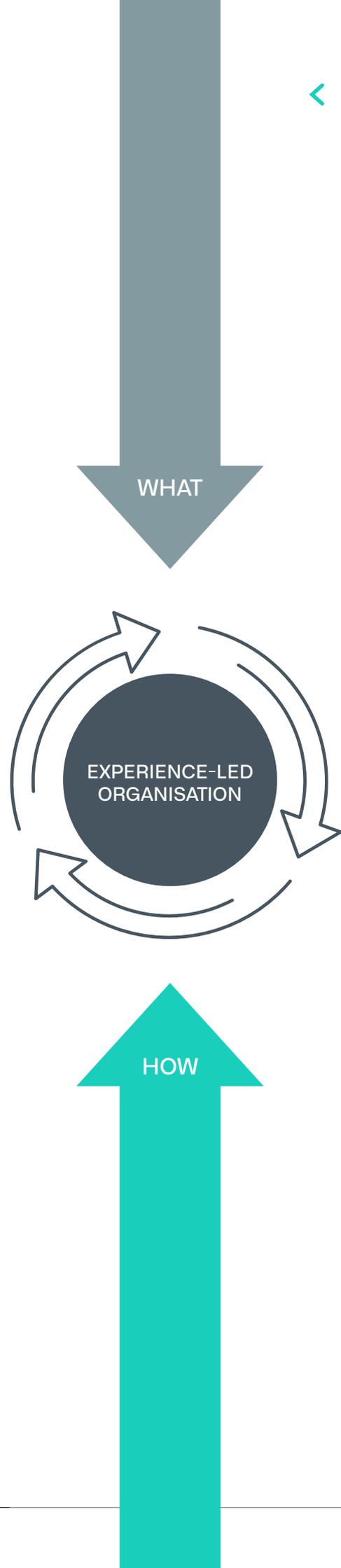
The development team creating the hotel booking portal needs to seek approval from the Security team to release the product. The overworked Security team only engages immediately prior to release. When reviewing the product, they identify significant vulnerabilities in both architecture and product construction. This results in considerable rework, significantly delaying the value stream.

Throughout, the service the Security team provides is to help the development team make their product secure. Whilst a secure product may ultimately be achieved, the way the Security team engages with other teams (engaging late and causing rework, rather than equipping teams to be successful first time around) has injected significant delay into the value stream.



Many more examples exist of where inefficiency in 'getting stuff done' can be injected within a value stream, from architectural coupling between products to immature engineering processes and 'big release' thinking. The bigger the service to be iterated, the higher the likelihood of lower-level value streams being coupled together, with each impacted by delays in interactions with other teams. Add into the mix delays caused by slow and inefficient corporate processes (e.g. slow recruitment, ineffective governance, bureaucratic administrative processes), then there is a real risk that everything grinds to a halt.

Unpicking this tangled web suddenly becomes way more than just improving automation and tinkering with developer tools that DevEx initiatives risk becoming. It is a conscious, root and branch re-engineering of how value is created within the organisation, starting with clarity on the top-level services the organisation provides to its consumers and systematically re-aligning everything beneath for maximum benefit. Alongside this must come the systematic simplification and separation of value streams through decoupling, more mature engineering practices and investment in self-service platforms to improve enterprise flow. It is at the junction of services and value stream re-engineering, where the 'what' meets the 'how', that the Experience-Led Organisation resides.



The Experience-Led Organisation

If services and value stream efficiency are what matters, then it makes sense that organisations should go as far as needed to maximise results. Fit the organisation to the work, not the other way around, even if this means ripping up existing structures, hierarchies and ways of working, and refactoring internal systems and services that impede flow.

For most organisations, however, this radical approach is a step too far and the inertial pressures take their dilutionary hold on any initiative to change. The Experience-led Organisation, however, is at the opposite end of this spectrum and takes the concepts of services, value, experience and flow to their radical and logical conclusion:



It focuses relentlessly on its whole services

deeply engaging with customers to understand their needs and designing truly transformative end-to-end, whole services to meet them. Top-to-bottom, front-to-back across digital and physical - there are no sacred cows or fiefdoms that get in the way of designing services that customers truly want.



It has a razor-sharp and inexorable focus on value creation and ability to cycle

it deeply understands that the ability to iterate services is a source of competitive advantage. To achieve this, it is prepared to radically re-think how value is created in the organisation, progressively re-aligning teams, systems, processes, structures and governance to achieve it. It fits the work to the organisation, not the organisation to the work.



It embeds user-centricity, 'product' thinking and flow concepts everywhere in the structure

every team understands their role is to enable value creation and focuses relentlessly on optimising the services they provide to others to improve flow. Owners of services at every level, from major to micro, external to internal, understand what services they provide, who uses them, how users 'experience' the services, where the pain points are and how to improve them.



It extends enterprise flow thinking to corporate functions and assurance services

it understands that internal teams like HR, Recruitment and Compliance are service providers with a fundamental role to play in value creation. If the services they provide don't meet consumer need, unnecessarily impede flow or cycle slowly, implications will be felt across the organisation. Consider a product team that requires a new UX designer – unless the service to recruit new personnel cycles quickly and delivers a good result, the product team is blocked. Now consider the implications of this across a large enterprise.





It systematically uses quantitative and qualitative measures to understand and improve the problem space

It uses instruments and measures services at all levels, from major to micro, internal and external, to understand adoption, conversion and dropout rates. It continually engages with users to measure experience and gain feedback, using this and analytical data to improve consumer experience.



It understands transformation is a continuous process of evolution and acceleration

Customers always want more and organisations are locked in an arms race to cycle faster. The objective of transformation is to be better today than yesterday and better tomorrow than today. Improve every day, whilst also tackling the more fundamental changes required to accelerate off into the distance.



Most importantly, the Experience-Led Organisation is united and focused

Leaders attack the problem space together, focusing on establishing and optimising cross-organisational services and value streams within the complex organisation construct, focusing investment on where it is really needed. Legacy structures, protectionist mindsets and inertial forces don't exist because everyone recognises the ephemeral and transient nature of the operating model.

In short, the Experience-Led Organisation is an adaptive, fluid, value and flow obsessed, continuously accelerating, agile organisation for the digital world.

And why does this matter? Well, consider this. 'Accelerate' by Jez Humble, Gene Kim and Nicole Forsgren scientifically proved the link between investments in digital value creation capabilities and business performance. Those organisations that had invested to become 'high performers' in digital value creation were:

'twice as likely to exceed organizational performance goals as low performers: profitability, productivity, market share, number of customers'

and

'twice as likely to exceed objectives in quantity of goods and services, operating efficiency, customer satisfaction, quality of products or services, and achieving organization or mission goals'

Accelerate was published in 2018 and many have already started on their journey. It's not too late to catch up, but you can't ignore it. Those who win and those who lose will be determined by the extent to which they can become an 'Experience-Led Organisation'.

So where do we go from here?

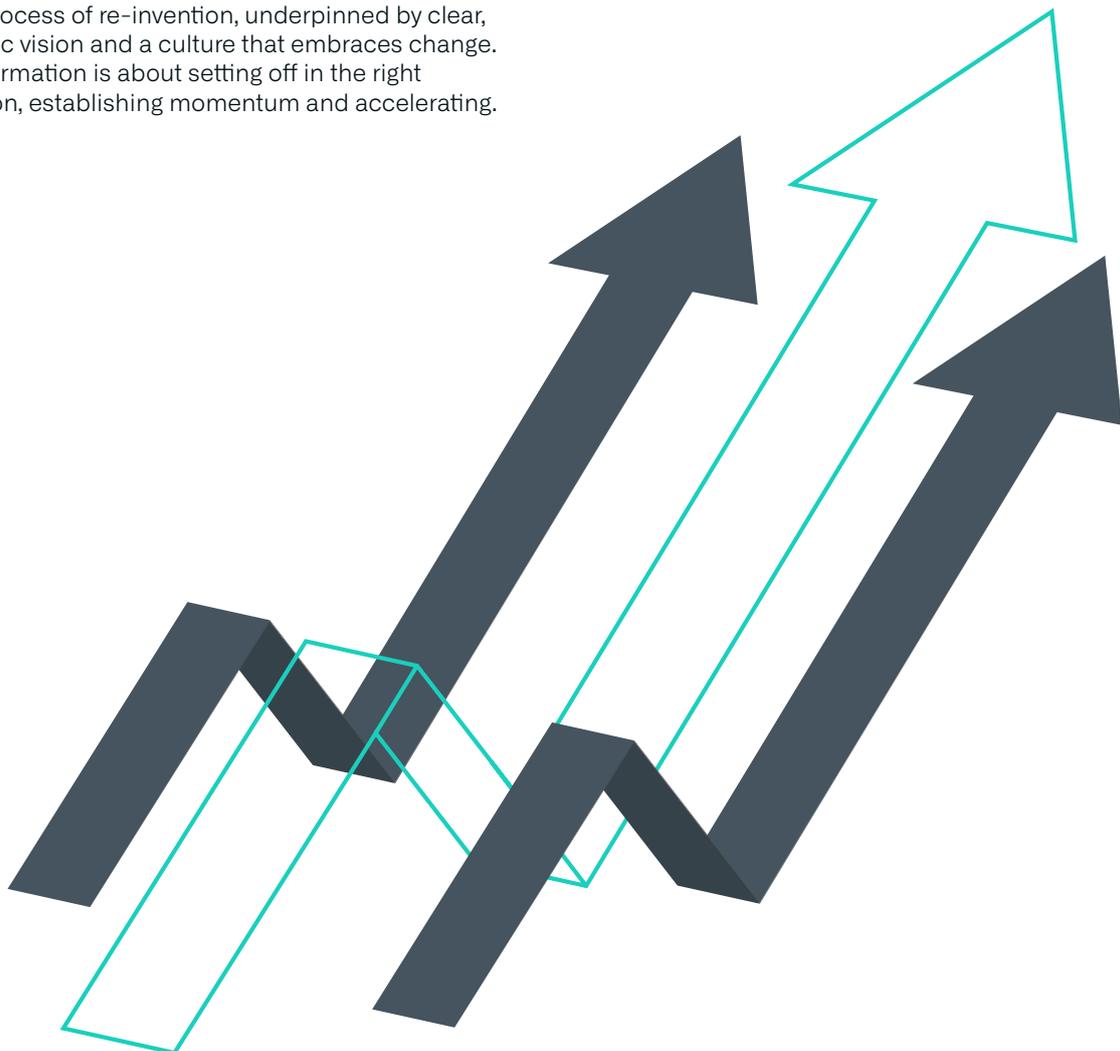
Whilst deliberately challenging and directional, the underlying concepts within this paper are a reality that everyone must face up to.

Customer demands and the pace of competition are both accelerating. Market leaders must learn to re-invent their operating models and deliver faster to stay ahead, whereas smaller, newer competitors are looking to business agility as the mechanism to erode the feature gap. To succeed in both scenarios requires the dominant operating model paradigm of the last 30 years to be inverted – i.e. asserting the primacy of the work over legacy structures and processes rather than the other way around.

However, no-one goes from 0 to 100 instantaneously and the way to get there isn't via big ivory-tower change initiatives with 5-year payback cycles. Transformation is a continuous, ongoing, directional, enterprise-wide process of re-invention, underpinned by clear, strategic vision and a culture that embraces change. Transformation is about setting off in the right direction, establishing momentum and accelerating.

Fortunately, there are a series of very real cultural, technical and operating practices that will help you there. In a series of subsequent white papers and articles, we will cover details of how to make this happen in your organisation, ranging from having the right north star through to detailed technical practices such as reliability engineering and policy-as-code.

If you're interested in receiving these, then sign up [here](#).



Want to discuss further?

Axiologik helps organisations get ‘match fit’ for the digital world across operating model, culture and technology. Having delivered some of the UK’s most complex and critical change initiatives, we deeply understand what works and what doesn’t, even in the most challenged and highly regulated environments. Most importantly, we know how to get things done – in the words of the former CEO of NHS Digital:

“What often sets Axiologik apart is their understanding of the full arc of digital program delivery, from content to live service, and their ability to guide teams through the entirety of that journey.”

A key part of helping organisations improve their effectiveness is establishing a clear vision for high performance, benchmarking current effectiveness and co-creating a pragmatic roadmap for improvement, all achieved through our industry-leading Digital Excellence Assessment.

If you would like to know more about this service, please get in touch at contact@axiologik.com.



AXIOLOGIK

LEGAL DISCLAIMER

Copyright © 2024, Axiologik Limited. All Rights Reserved.

No part of this document may be reproduced in any form or by any electronic or mechanical means, including information storage and retrieval devices or systems, without prior written permission from Axiologik Limited.