



# IBM UX-UI Services

## Vendor Assessment Report Abstract

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## Who Is This Vendor Assessment For?

NelsonHall's UX/UI Consulting and Implementation Services Vendor Assessment for IBM is a comprehensive assessment of IBM's UX/UI consulting and implementation services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for UX/UI services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in UX/UI services sector.

## Key Findings & Highlights

Founded in 1910, IBM has undergone several evolutions in its focus, including its shift from being primarily a computing hardware vendor to an IT services provider over the last two decades. Now it is pivoting to a sub-set of offerings called Strategic Imperatives, focused on cloud, cognitive computing, analytics, security, mobile and social. IBM uses its experience design and creative teams to support these initiatives.

IBM has three distinct groups where creative capabilities reside:

- IBM Design: primarily focused on internal design of IBM products, such as software offerings
- IBM iX: part of IBM Services consulting, iX is the home of IBM's external focused design capabilities
- IBM marketing: the branding, content and storytelling for IBM itself.

IBM iX evolved out of IBM Interactive, which was launched in 1996 in Atlanta after IBM was engaged to support the 1996 Olympics. The Atlanta studio initially had ~100 employees while other small design footprints, including Austin, Texas and Cambridge, Massachusetts were stood up. In 2013, IBM interactive became a major growth focus area for IBM with new offerings launched and was ultimately renamed IBM iX. iX now spans ~42 design studios globally and has ~16k employees.

Specific offerings launched across 2013 and 2014 include:

- Jan. 2014: IBM launched IBM Interactive Experience, aimed at assisting organizations in establishing models of individual engagement. IBM Interactive Experience combined IBM digital agency IBM Interactive with 100 personnel from IBM's Customer Experience Lab and had a strong emphasis on customer data analytics.
- March 2013: IBM launched its IBM Customer Experience Lab to promote the digital front office. The Lab focused on three areas:
  - Customer insight. Applying capabilities such as machine learning and visual analytics to predict differences in individual customer behavior across multiple channels
  - Customer engagement. Enhancing the personalization of customer engagement
  - Employee engagement. Embedding semantic, collaborative, and multimedia technologies to foster employee engagement and insight in person and online

As part of expanding iX from 2105 through 2017, iX completed a number of acquisitions to incorporate new capabilities, add resources and expand its studio footprint. These acquisitions include:

- Bluewolf: Salesforce implementation and digital consultancy with 12 global offices and ~500 FTEs at the time of acquisition
- February 2016, Aperto: a digital agency with headquarters in Berlin, Germany and ~300 FTEs at the time of acquisition
- February 2016, ecx.io: Dusseldorf, Germany based digital agency with offices in Croatia, UK, Austria and ~200 FTEs at the time of acquisition
- February 2016, Resource/Ammirati: U.S. digital marketing and creative agency with ~300 FTEs in Columbus, Chicago, and New York at the time of acquisition
- October 2017, Vivant Digital business (Vivant): a boutique digital and innovation agency based in Sydney and Melbourne.

IBM's Global Business Services revenues for CY 2017 were ~\$16.3bn. Of this, IBM reports that consulting revenues accounted for ~44% of this (~\$7.3bn). NelsonHall estimates that these will grow ~3% in CY2018 to ~\$7.5bn.

NelsonHall further estimates that IBM iX accounts for ~40% of these revenues.

IBM iX possesses six key focus areas, all of which are supported by a focus on the use of data, analytics and AI:

- Digital strategy
- Experience design
- Salesforce implementation capabilities (across all clouds), initially acquired through the Bluewolf acquisition and then expanded
- eCommerce including WebSphere and hybris
- Marketing services & Platforms covering Adobe development including Experience Manager and Marketing Cloud. This group also incorporates IBM Watson Customer Engagement capabilities, and others including Sitecore and Acquia
- Mobile and Enterprise mobility with Apple.

IBM iX is comprised of ~16k employees. NelsonHall estimates that ~25% of this team are creative resources, possessing skills such as front-end development, UX/UI design, content development and design project management. In addition to regional Creative Leads, there are IBM Design Principals and IBM Distinguished Designers globally that influence the creative work across the entire organization.

As estimated by NelsonHall, the other 75% of iX employees provide industry and technology consulting capabilities to support experience engagements.

IBM's early focus on design principles, both for internal offerings and for clients, beginning in 1996, provides it a longer track record than many competitors who have focused on expanding design capabilities over the last decade - in fact the roots of IBM's corporate design program goes back to 1956 with its first Chief Design Officer Eliot Noyes. This longer term has enabled IBM to build a large global network spanning 42 design centers and ~16k employees within IBM iX which positions it well to understand the unique cultural aspects of different countries and industries and the scale to deliver. The only risk lies in disconnects between delivery in different geographies, in particular where acquisitions have

fueled expansion. Building out common global methodologies and training, as IBM has done, addresses this risk.

This experience has also allowed it to hone its offerings, to both provide clients with a variety of approaches to meet their needs and connect its design offerings through to an agile development delivery model.

IBM is broadly focusing its services and offerings around its strategic imperatives, in particular, its Watson AI platform. Leveraging this key corporate strength, it should continue to expand its incorporation of Watson and AI capabilities to support how it delivers its UX-UI services including its research and design thinking methods.

## Scope of the Report

The report provides a comprehensive and objective analysis of IBM's UX-UI service offerings, capabilities and market and financial strength, including:

- Analysis of the company's offerings and key service components
- Revenue estimates
- Identification of the company's strategy, emphasis and new developments
- Analysis of the profile of the company's customer base and examples of current contracts
- Analysis of the company's strengths and weaknesses.



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## Report Length

12 pages

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