

A decorative graphic on the left side of the page features several interlocking gears in shades of blue and teal. One gear prominently displays a smartphone icon with a dollar sign on its screen. The gears are set against a dark purple background. To the right of the gears, a large, abstract shape composed of many overlapping triangles in various shades of blue, teal, and red is visible. At the bottom of this graphic, a series of small, colorful dots (blue, teal, red) are arranged in a curved, dotted line.

Sector Analysis: Financial Services

Happiness, trust and compliance driving the future of quality assurance

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Our day-to-day interactions with clients, partners, analysts, universities and startups highlight that we are at the cusp of a 'new wave' of transformation, driven dually by business model innovation at one end, and by technological disruption at the other. This is especially true for financial services organisations. While technology trends such as digitisation and automation of QA continue to expand, we are now witnessing coming up of several customer and employee focused themes – convergence of finance and lifestyle, building trust and happiness with customers, and new ways of working – that power these trends. Organisations are thus beginning to look at specific

technology trends in the light of the larger, more holistic shifts in customer and employee expectations.

Digitisation is right up there in the agenda of all financial services providers – irrespective of their size. However, the objective behind it is no more to merely provide a digital experience to customers. For these organisations, digitisation is a means to improve agility – a chance at simplifying their internal operations, either by hollowing out the core of by replacing it altogether. The ability for financial institutions to react quickly to market changes to launch new products and services is of paramount importance – QA

in the current age must be able to support this need. Smart QA solutions integrating end-to-end ecosystems powered by cognitive and analytical capabilities are vital – banks and insurers are flocking to service providers who can offer such comprehensive solutions.

DevOps (and now DataOps) is a key contributor to agility within organisations. Forrester called 2018 the year of Enterprise DevOps – and rightly so. It seems the trend is here to stay. Large number of financial services organisations are taking up measures to roll out DevOps to their entire enterprise. We foresee this to add to the change management challenges that these organisations currently face. Yet another challenge is the accurate measurement of progress – companies might struggle to find the right metric to determine if their efforts are bearing fruit. This is extremely important. For example, a marked improvement in deployment speed at the cost of quality cannot be considered as progress.



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Automation levels continue to rise in the Financial Services industry – so is the use of AI (especially NLP and ML) in testing. This enables organisations to put in place an effective continuous testing environment requiring extensive collaboration between teams and ensuring immediate feedback on any threats, thus reducing business risks and providing quicker resolution of defects. While the adoption of continuous testing is increasing, there are gaps in automation that needs to be addressed before it can go full scale. Our Continuous Testing report shows that the next 2-3 years is a critical time period for continuous testing – with increased automation in test data management and use of model-based testing (MBT) for auto-generation of test cases, adoption is all set to boom.



“Financial services is a particularly difficult industry as far as quality assurance is concerned.”

Financial services is a particularly difficult industry as far as QA is concerned. The sheer complexity brought in by a multitude of customer channels combined with the need to comply with a host of regulations makes it extremely tricky to navigate. Customers expect industry players to meet the experience provided by tech giants such as Google, while regulators expect them to meet the regulatory compliance levels similar to the healthcare industry. Banks and insurers are stretching the concepts of Agile and DevOps to find solutions – one particular theme in this direction is New Ways of Working - this new trend is gaining popularity, and its beyond just Agile project delivery. Entire organisations are being restructured around new ways of working, with a focus on empowerment, speed and productivity. This envisages new engagement models working with customers, partners in squad structure demanding much greater collaboration.

Open banking has heralded a new age of QA for banks. The rapid increase in the use of open APIs has created a multitude of opportunities in testing services related to security and robustness of APIs. With regulators across the globe taking up open banking initiatives, there is a possibility for open banking QA to develop as a niche domain requiring niche skills. Industry will foresee a challenge in finding the right talent for such roles – a workforce equally skilled in integration functions and testing. With PSD2 and GDPR already in place, Europe is set to drive this trend – US and Asia are playing catch-up. This issue is even more aggravated for insurers. Testing insurance applications requires test professionals who have insurance expertise and understand the business – this has always remained a challenge.

In summary, access to vast amounts of data (internal and external), a new world of high speed connectivity and massive storage, compute power will lead to developing ecosystem led innovative offerings for customers, keeping in mind customer’s experience & happiness. Most of the traditional organisations are adopting Agile ways of working while building strong foundation for engineering skills. Quality assurance in these contexts is going to play a vital role in providing a competitive advantage for organisations through trust, agility and speed.

