

# WORLD QUALITY REPORT

2011/12

# THE NORDIC REGION

This is an extract from the *World Quality Report 2011-2012* which presents findings from a global survey completed online by over 1,200 CEOs, CFOs, CIOs, IT directors and managers, and quality assurance (QA) directors and managers around the globe. The goal of this report is to examine the state of application quality and testing practices across different industries and geographies.

The full report can be accessed at [www.capgemini.com/testing](http://www.capgemini.com/testing) or [www.sogeti.com/testing](http://www.sogeti.com/testing).



Countries in the Nordic region (Denmark, Finland, Norway and Sweden) have been affected by the global crisis and its resulting recession, impacting a broad range of private sectors across the region, including Manufacturing, Telecoms, Energy and Utilities, Financial Services, and Consumer Products, as well as the Public Sector.

The Finnish economic downturn was mainly related to the collapse of its export market, while its Financial Services managed the crisis fairly well. The Danish economy was severely affected, exacerbated by a significant downturn of its real estate market, while its Financial Services were under great pressure, impacting the whole IT Industry.

For Norway and Sweden, the effect of the crisis has been somewhat different. Norway used its oil fund to stimulate various sectors such as Financial Services, which emerged from the crisis with little damage. Similarly, Sweden's state finances offered solid protection, so that the Public Sector and Financial Services maintained a more constant level of activity compared to other sectors.

## Top Trends

- *High QA maturity mainly within larger companies*
- *Mixed maturity in applying automation*
- *Limited adoption of Cloud and SaaS*

The general perception of IT in the Nordics can be divided into two categories: those who look upon IT as a support function or cost center to the core business operations, and those who perceive IT as part of the core business itself and consider it to add value to the overall organizational performance. The latter approach is more prevalent in Norway, for example, where business and IT work closely together using Agile-type techniques. But elsewhere there are more significant gaps between business and IT. This is evident at the beginning (requirements process) as well as the end (UAT) of the application development lifecycle, where it often takes several iterations before IT and business are both on the same page.

Today, in the Nordic region, QA is well established in many major organizations, with a formalized test organization and supporting budgets, and is a recognized profession with dedicated resources. For smaller companies, however, the testing focus is much more erratic.

By *Mattias Bergströmner*, Global Testing Services, Sweden, Sogeti

**22%** OF THE SURVEY RESPONDENTS SUGGEST THAT THEIR COMPANIES RUN BETWEEN 81-100% OF THEIR TESTS MANUALLY

Looking at the Nordic survey data, 33% of respondents indicate that budgets for testing and QA activities have stayed the same or have increased slightly (31%) over the last two years – in line with the global trend. This is a positive finding for the region, considering the recession. A small number of Swedish (16%), Norwegian (14%), and Danish (8%) respondents actually indicate a significant increase, whereas there is no such indication from Finnish respondents. Despite the relatively advanced nature of QA and testing in the region, 15% of respondents across the region report that they have no dedicated QA/testing budgets.

With regard to manual test execution, 22% of respondents from the Nordics suggest that their companies run between 81-100% of their tests manually. A good indication of the mixed maturity level in this area is the fact that 19% of respondents say that only a small portion of their tests (0-10%) are conducted manually.

Over half (52%) of Nordics respondents say that none of their software licenses are consumed through a SaaS model – compared to 27% across the rest of Europe and the US, suggesting that the Nordic companies prefer to purchase licenses for unlimited use.

Regarding collecting, sharing, and presenting QA metrics, there is only a 2% difference in the Nordics between those who say that they manually collect and present data with Excel (25%) and those who collect it automatically (23%). This is followed by 24% who do not do this consistently.

Measurement of metrics is an important factor in being able to prove that a QA organization is delivering business value. Nordic countries appear to be more aligned with the business goals compared to other countries that quantify defects in terms of financial liability. Half of Nordic region respondents feel that metrics, when used accurately, provide a measure for the success of the QA function. A third of the region's survey participants also indicate that metrics are something that they continuously struggle with.

On the subject of hosting or migrating applications to the cloud over the next year, 20% of Nordic respondents indicate plans for hosting between 11% and 25% of their applications in the cloud, which is smaller compared to the European average of 36%. Additionally, a quarter of European respondents also indicate that they will host between 26-50% of their applications on the cloud, compared to 13% in the Nordics. Over a third (35%) of Nordic organizations declare that they would not use the cloud, compared to 13% across Europe.

Based on the survey data, it appears that Nordic companies are not adopting new technologies as fast as the rest of Europe. One reason might be that the Nordic companies don't yet trust cloud solutions – which is evident by looking at the types of applications that they plan to host or migrate to the cloud in the next year. Most companies choose non-critical applications (43%) and standard applications (33%), followed by mission-critical applications (20%) and development and/or test environments (12%). The perceived risks for the cloud in the Nordics are consistent with the trends in other parts of the world: security (52%), performance (21%), availability (20%), and the threat that expected cost reductions would not be delivered (16%).

The Nordic region, to a varying extent, has been affected by the global crisis and, as usual, cost cutting has been a strong focus. With this in mind, and remembering the well-defined test organizations mentioned above, it is surprising to find that manual test execution is cited as being at a high level and that the degree of leveraging the SaaS-model and cloud-based hosting is rather low. These services would help cut costs at the bottom line.

We believe that the testing discipline in the Nordic region will continue to grow, but to meet future market demands, IT and the business must broaden their approach and realize that testing and QA work effectively at both strategic and operational levels. This will be key to achieving core values such as cost, delivery precision, and quality. Regrettably, this insight is often lacking, whereas it could provide a relatively quick route to efficiencies and profitability for many Nordic organizations.

## Contacts

We value your comments and ideas. We welcome you to contact us in relation to any questions you might have concerning the 2011-2012 *World Quality Report*.

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Together, Capgemini and Sogeti have developed innovative, business-driven quality assurance (QA) and testing services, combining best-in-breed testing methodologies (TMap® and TPI®) and the global delivery model, Rightshore®, to help organizations achieve their testing and QA goals. Capgemini and Sogeti have created one of the largest dedicated testing practices in the world, with over 8,200 test professionals and a further 12,500 application specialists, notably through a common center of excellence with testing specialists developed in India.

More information is available at:  
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