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**- NEWS ALERT -**

**Financial Services World Quality Report Reveals Cloud and Outsourcing  
Are Key for Testing<sup>1</sup> Organizations to Deliver Value to Business**

*New report from Capgemini, Sogeti and HP highlights Quality Assurance<sup>2</sup> strategies to respond to compliance, growth and cost optimization priorities*

India, 29 March 2012 – Capgemini, together with Sogeti, today released the findings of their second Financial Services World Quality Report, sponsored with HP. This in-depth report shows the challenges facing Financial Services (FS) organizations are directly translating into IT departments focusing on compliance, business growth, and cost optimization. As a result, Quality Assurance (QA) organizations are seeking to deliver value to the business by leveraging cloud and SaaS services, expanding Outsourcing, creating Testing Centers of Excellence (TCoE) and preparing for mobile services. The report highlights that while budgets remain constrained, with two thirds of firms citing budget as a tangible challenge, the number and complexity of applications is growing so QA organizations are turning to strategies that deliver business value including:

- 1) **Using cloud and SaaS models to modernize IT infrastructure and services, reduce complexity, and cut operating costs**, as well as increased agility and speed to market. Among surveyed FS firms, only 15 percent indicated they have no plans to migrate applications or hosting to the cloud in the next year, while 73 percent indicated they plan to migrate between 1 percent and 50 percent of their applications to the cloud. *“The cloud is not without perceived risks, most notably security,”* says Govindarajan Muthukrishnan, Testing Practice and Rightshore Leader, Capgemini Global Financial Services, *“but the cloud is often a more cost-effective, quicker and*

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<sup>1</sup> Testing is a process conducted to provide stakeholders with information about the quality and the related risks of a product or service. Testing can also provide an objective, independent view to allow the business to appreciate and understand the risks of a particular product or service implementation. Test techniques include, but are not limited to, the process of executing a program or application with the intent of finding software errors or other defects.

<sup>2</sup> Quality Assurance covers all the planned and systematic activities necessary to provide adequate confidence that a product or service meets the requirements for quality; Source: ISO 1994.

*easier way to perform testing, even of the cloud itself, especially because the cloud can be used as a separate test environment or as a pay-per-use model.”*

- 2) **Outsourcing to help FS firms enhance capabilities and value.** The study shows 70 percent of FS organizations employ contract testers or outsource testing to third-party vendors, but only six percent have outsourced between 76 percent and 100 percent. Separately, only three percent have completely outsourced testing execution *“These numbers suggest there is huge potential for FS firms to expand the comprehensive use of outsourcing,”* says Anurag Gupta, India Testing Leader, Financial Services, Capgemini. *“With a more comprehensive outsourcing strategy, firms can derive value from transforming business processes, improving time to market, capturing operational efficiencies and further optimizing costs”* continued Anurag.
- 3) **Considering the use of a Testing Center of Excellence (TCoE).** TCoEs require a substantial time (often between six and 24 months) to operationalize. This helps explain why only one percent of FS firms say they already have a fully operational TCoE. But, 55 percent of respondents have either started establishing a TCOE recently, or plan to in the future. *“TCoEs can help QA standardize testing practices and metrics across all testing projects, reduce costs and achieve a more direct relationship between QA and the business,”* says Govindarajan.
- 4) **‘New Normal’ for Financial Services: Mobile Applications** - The study’s findings also reflect the “New Normal” for the FS industry, featuring different business economics, risk management, and regulatory paradigms than existed prior to the global financial crisis, where QA capabilities are increasingly critical in driving business success. For example, Mobile applications must facilitate interactions involving different handsets and operating systems—technologies that are themselves advancing rapidly. QA needs to acquire new capabilities and tools to make sure such applications stay secure, compliant and relevant to customer needs.

### **Opportunity to improve level of maturity**

While FS firms’ QA organizations are actively aligning their strategies with business priorities, there is still a considerable opportunity to improve maturity levels. Recent Quality Blueprint (QBP) benchmarking<sup>3</sup> analysis shows QA organizations at FS firms are at similar levels of maturity as other industries, such as testing environments and test process management, but FS firms are slightly ahead in

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<sup>3</sup> Quality Blueprint uses the proven TPI® methodology and automated testing tools and reports to bring rigor to testing assessments and roadmaps. Uniquely customized for financial services it uses a continuously updated repository from hundreds of FS test assessments to build an actionable roadmap with recommendations based on industry best practices and Capgemini’s TMap® and award-winning quality frameworks.

terms of their test organizations. Notably, though, the number of organizations that undertook a QBP assessment was twice as high in 2011 as it had been in 2010. *“This clearly indicates that a growing number of QA organizations want to assess their current maturity as a first step on the path to improvement,”* says Anurag.

To succeed however, the future for QA in FS is likely to see greater standardization of tools and methodologies to improve testing, reduce errors, ensure security and increase speed time to market. The use of outsourcing, cloud and SaaS options is also likely to grow so that QA can access the breadth of capabilities needed to properly manage modern environments and loads, especially on complex and emerging platforms such as mobile.

### **About the Financial Services World Quality Report**

These findings are largely drawn from an analysis of data gathered for the *World Quality Report (WQR) 2011/12*, an ongoing collaboration between Capgemini, Sogeti and HP that features an extensive survey of global participants, examining the state of application quality and testing practices across different industries and geographies. Survey respondents are asked about the state of QA budgets in their companies, answer questions about their testing organization and its relationship with the business, describe their testing practices and methodologies, and share their plans for migrating applications to the cloud. The latest survey also zeroed in on outsourcing, security testing, and test data management.

For the *FS WQR*, the WQR responses from 175 FS firms—banks, insurance companies or capital markets firms<sup>4</sup> were analyzed in more detail, and additional research was conducted on issues specific to the FS sector, using a another survey, for which there were 268 respondents.

For more information, please visit [www.capgemini.com/fstesting](http://www.capgemini.com/fstesting)

### **About Capgemini India**

Capgemini in India is more than 34,000 people strong across 7 cities (Mumbai, Bangalore, Hyderabad, Kolkata, Chennai, Pune and Delhi). A pioneer in the IT industry, Capgemini has over 43 years of global expertise collaborating with leading corporations and now brings the Consulting, Technology and Outsourcing experience to India. With dedicated teams to service the local markets, Capgemini has strong domain experience to assist clients across the Government and Public Sector, Energy and Utilities, Manufacturing, Telecom and Financial Services sectors and help them advance in their respective industries. Please visit [www.in.capgemini.com](http://www.in.capgemini.com) for more details.

### **About Capgemini and Sogeti**

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<sup>4</sup> For public companies, the sector was identified based on Forbes. For private companies, the sector was identified based on how companies identified themselves to the public.

With around 120,000 people in 40 countries, The Capgemini Group is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2011 global revenues of EUR 9.7 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model. Sogeti, its wholly-owned subsidiary, is a leading provider of local professional services, bringing together more than 20,000 professionals in 15 countries and is present in over 100 locations in Europe, the US and India.

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 9,500 test professionals and a further 14,500 application specialists, notably through a common center of excellence with testing specialists developed in India.

For more information, please visit:

[www.capgemini.com/testing](http://www.capgemini.com/testing)

[www.sogeti.com/testing](http://www.sogeti.com/testing)

### **About Capgemini Financial Services Global Business Unit**

Capgemini's Global Financial Services Business Unit brings deep industry experience, innovative service offerings and next generation global delivery to serve the financial services industry. With a network of 18,000 professionals serving over 900 clients worldwide Capgemini collaborates with leading banks, insurers and capital market companies to deliver business and IT solutions which create tangible value. Our testing practice has over 2,800 professionals dedicated to financial services testing and combines deep domain expertise with award-winning quality assurance tools, methodologies and accelerators to provide the full spectrum of testing services from model based workbenches to managed services to leading financial institutions.

More information is available at: [www.capgemini.com/fstesting](http://www.capgemini.com/fstesting).

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