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World Quality Report 2014 shows majority of testing budget now dedicated to new development projects as CIOs prioritize transformation over IT maintenance

Paris, 7 October, 2014 - [Capgemini](#), one of the world's foremost providers of consulting, technology and outsourcing services, and [Sogeti](#), its local professional services division, today published the findings of the sixth *World Quality Report*. The annual study, published in conjunction with HP, which examines the state of application quality and testing practices across multiple industries and geographies, found that for the first time the majority of IT budget allocated to Testing and Quality Assurance (QA)¹ (52 per cent) is now being spent on expanding IT landscapes, for example developing new mobile and big data applications and systems, rather than simply modernizing and maintaining legacy systems and applications. The report also highlights how, with the growing importance of application quality and addressing IT complexity associated with social, mobile, analytics, cloud and the Internet of Things, testing and quality assurance is recognized as a key business critical function.

This year's study, which interviewed 1,543 CIOs, IT Directors and testing leaders from 25 countries, highlights how the proportion of spending on testing within IT budgets has steadily increased as greater attention is being placed on application quality, reliability and overall user experience. With the speed and reach of social and online media feedback from end-users, enterprises have become more conscious of the damaging impact of application errors on corporate reputation and brand equity. Average spending on QA as a percentage of the total IT budget² has risen from 18 per cent in 2012 and 23 percent in 2013, to now 26 percent in 2014. The share of testing budgets is projected to grow further in the coming years, expected to reach 29 percent by 2017.

Growing attention to testing driven by new development projects and digital transformation

Testing of new applications now accounts for the majority (52 percent) of overall testing budgets, rising from 41 percent in 2012. This increased focus on new projects particularly associated with digital transformation is reflected in the split of testing budgets with 40 percent now allocated to development projects in Big Data & Analytics and 27 percent to new cloud initiatives. These transformational programs are requiring not only more specialized testing practices and service offerings but also more specialized skills. This is demonstrated via a significant rise in the percentage of budget being spent on human resources, accounting for over a third of the testing budget (35 percent) – a rise of 23 percent from 2013.

¹ Quality assurance is a systematic monitoring process to see whether software features and functionality meets specified requirements and business objectives.

² Respondents were asked what percentage of the budget is allocated to the testing function (including testing processes, tools and human resource costs), related to the total 2014 IT budget.

Govind Muthukrishnan, Senior Vice President and Testing Global Service Line Leader at Capgemini Group commented: *“Testing as a function is becoming ever more business critical to organizations faced with external market forces that drive digital transformation. These market forces include changes in customer behavior, heightened global competition, the need to provide an all-channel experience, rapid adoption of social media channels, increased data volumes and the advancement of technologies such as cloud and mobile. Readers of this year’s report will see that Testing organizations are increasingly focused on taking advantage of these new market dynamics to deliver tangible business value in the shortest time possible while optimizing testing costs.”*

Raffi Margaliot, Senior VP and General Manager, Application Delivery Management from HP added: *“CIOs are under increasing pressure to ensure an exceptional overall user experience, which is a key element of loyalty and brand equity. User tolerance for application security, useability or performance issues, or inconsistent experience between channels is much reduced, which has had a significant impact on the importance and discipline of Quality Assurance (QA) and Testing.”*

As organizations focus on speed to market, efficiency and business agility is still a challenge

With pressure to reduce time-to-market rising up the CIO agenda, the research highlights how more organizations have adopted and deployed agile delivery methods³. Over nine out of ten (93 percent) organizations interviewed use agile methods within their new development projects (a rise from 83 percent in 2013). But despite this growth, many organizations are still facing challenges such as a lack of proven agile testing approach (61 percent), difficulties with applying test automation (55 percent) to agile, and the lack of availability of the right agile testing tools (42 percent).

Cloud-based solutions are on the rise for cost optimization

Cost reduction still remains high in terms of IT priorities and as companies look to reduce test infrastructure costs, there has been a rise in the use of virtualization and the adoption of SaaS solutions. Following a decline in 2013, cloud adoption for hosting and testing applications has returned to growth. Testing in the cloud increased from 24 percent last year to 32 percent in 2014 and this is estimated to grow to 49 percent by 2017.

The multi-channel experience demands high quality testing including validation of security and performance

Testing is becoming ever more critical as consumers expect a seamless end-user experience across multi-channel applications and devices in an “always-on” world. The research shows that security (59 percent) and performance (57 percent) are top focus areas for testing application migration to Cloud, and that security remains a crucial area of focus within mobile testing (54 percent). However there is still a concern regarding

³ Agile delivery methods are flexible delivery processes whereby working functionality/software is developed and delivered in short timeframes in an incremental way.

effective mobile testing as four in ten stated that they did not have enough time to test their mobile solutions adequately.

To download a copy of the full World Quality Report 2014-15 go to www.worldqualityreport.com

About Capgemini and Sogeti

With almost 140,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 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 is a leading provider of technology and software testing, specializing in Application, Infrastructure and Engineering Services. Sogeti offers cutting-edge solutions around Testing, Business Intelligence & Analytics, Mobile, Cloud and Cyber Security. Sogeti brings together more than 20,000 professionals in 15 countries and has a strong local presence in over 100 locations in Europe, USA and India. Sogeti is a wholly-owned subsidiary of Cap Gemini S.A., listed on the Paris Stock Exchange.

Together Capgemini and Sogeti have developed innovative, business-driven quality assurance (QA) and Testing services, combining best-in-class testing methodologies (TMap® and TPI®) to help organizations achieve their testing and QA goals. The Capgemini Group has created one of the largest dedicated testing practices in the world, with over 12,300 test professionals and a further 14,500 application specialists with Testing experience, notably through a common centers of excellence with testing specialists developed in India and elsewhere.

Learn more about us at www.capgemini.com/testing and www.sogeti.com/testing

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About the study

The World Quality Report Survey was completed by 1,543 CIOs, IT directors and managers and QA managers around the world. All major industries were represented in the survey:

<http://www.worldqualityreport.com>

The survey questionnaire was designed by QA and Testing experts in Capgemini, Sogeti and HP (sponsors of the research study), in consultation with Coleman Parkes Research. The 32-question survey covered a range of QA and Testing subjects, enriched by qualitative data obtained from the additional in-depth interviews. The report contains expert data analysis, interpretation of the results and in-depth commentary.