WORLD QUALITY REPORT

BRAZIL

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Top Trends

- In 2014, QA and Testing accounts for a third of IT budgets in Brazil (compared to 26% average around the world).
- Nearly three-quarters (72%) of Brazilian IT leaders interviewed state that digital transformation projects consume between 20% and 40% of their QA and Testing budget.
- One of the fastest growing areas of focus for QA and Testing in Brazil is mobility – driven by growth in the number of mobile users accessing services with smartphones.

As Latin America's largest economy, Brazil started this year with an improved economic outlook based on increased business confidence driven by hosting the World Cup, although in reality, the economy has grown more slowly than expected. Amid higher-than-projected inflation rates, businesses are cautious about investing in large projects, but levels of investment in Information Technology continue to rise, with new development initiatives often taking precedence over maintenance projects.

Nearly three-quarters (73%) of IT leaders interviewed for the research study from Brazilian companies and public sector organizations rate cost optimization through process and technology advancements among the top IT priorities, and the highest levels of IT investments appear to be in the areas of IT systems integration, cloud services and application portfolio rationalization.

Awareness of the role of application Quality Assurance (QA) and Testing continues to rise, specifically in established sectors such as Financial Services, Telecommunications and the Public Sector. Growing competitive pressures drive Brazilian companies to consider quality as a strategic initiative. This is evident from the sharp increase in the portion of IT budget allocated to application quality, and the higher-than-worldwide average portion of IT budgets spent on QA and Testing. In 2014, the share of QA and Testing budgets has risen from 20% to 33% (compared to 26% average around the world), and is expected to grow further to reach 36% of the overall IT budget by the year 2017 (higher than the 29% projected global average).

Last year's data showed that the largest portion of QA and Testing budgets was spent on hardware and infrastructure (40%), followed by 29% for tools and 23% on personnel. The 2014 research shows that staffing has become the largest area of QA and Testing spend, taking 38% of the total budget, followed by 32% spent on hardware and 30% on tools. This data shows a growing commitment to application quality: Organizations have invested in infrastructure and tools in previous years, and are now focusing on hiring the people to bring the needed levels of expertise into their QA and Testing departments.

Additionally, the sharp increase in personnel spending can be correlated to the growing share of new IT development initiatives, which require new QA and Testing skills, methods and approaches. The data shows that in 2014, the share of maintenance projects in the testing budget is less than half (48%) for the first time. Nearly three-quarters (72%) of Brazilian IT leaders interviewed state that digital transformation projects account for between 20% and 40% of their QA and Testing budget. Not surprisingly, companies are investing more in acquiring and training employees with skills needed to support these new initiatives.

Organizations are also increasingly outsourcing at least some part of their QA and Testing projects to gain process efficiency and specialized testing expertise and resources. An analysis of prevalent testing function engagement models shows that 28% of QA and Testing work is performed entirely in-house (compared to 30% global average), while 35% of projects are tested using staff

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augmentation or fixed-capacity professional services, 19% are co-managed with the partner, and 18% are outsourced to a managed service testing provider. The increase in outsourcing is considered a positive trend, as partners bring not only expertise and tools, but also help find the right organizational structure for the QA and Testing function and put in place methods, processes and controls necessary to improve testing efficiency. Due to language barriers, most projects – in-house and outsourced – remain onshore, with only large global companies having the resources to facilitate effective offshoring.

One of the fastest growing areas of focus for QA and Testing in Brazil is mobility – driven by growth in the number of mobile users accessing services with smartphones. Along with consumers, businesses are increasingly using mobile devices to streamline their processes and connect with their employees. Five out of six (84%) Brazilian IT executives interviewed state that their QA and Testing organizations engage in mobile testing (compared to 59% in 2013), and a large portion of the tools investment seems to be going toward automation of mobile testing. However, despite this rapid growth, many companies continue to struggle to find the right approach for mobile testing, with 42% of research participants reporting device availability among the greatest obstacles to a successful mobile testing strategy, followed by 37% stating that they lack the right processes and methods, and 34% citing the absence of in-house testing environments. Many companies turn to specialized service providers to augment their mobile testing capabilities and help release mobile applications faster and more efficiently.

The demand for cost savings is also driving increased interest in cloud-based testing. Brazilian companies are beginning to ramp up the share of applications that are being tested in the Cloud. In 2013, less than a quarter of all applications (23%) were tested using cloud-based environments and tools, while 2014 sees a 12 percentage point growth in the share of cloud testing, and it is projected to further increase to 56% by 2017, surpassing the projected worldwide average of 49%.

Agile development methods are gaining further traction among Brazilian companies, largely the result of competitive pressures and the need to deliver applications faster. Some 89% of organizations state that they use agile methods for at least part of their software development projects. Agile testing practices also seem to be developing as an integrated discipline, although organizations still have challenges in fully integrating agile into their development practices. Among the key obstacles to agile adoption are lack of a good testing approach within the agile framework (reported by 61% of executives interviewed) and difficulty in applying test automation (45%).

As the testing discipline matures, organizations are beginning to look beyond test management and automation and focus on end-to-end testing processes that include test environment and test data management. Brazilian companies are beginning to subscribe to DevOps approach, and are investing in processes and tools to ensure continuous application quality and reliability after it's been released into production.