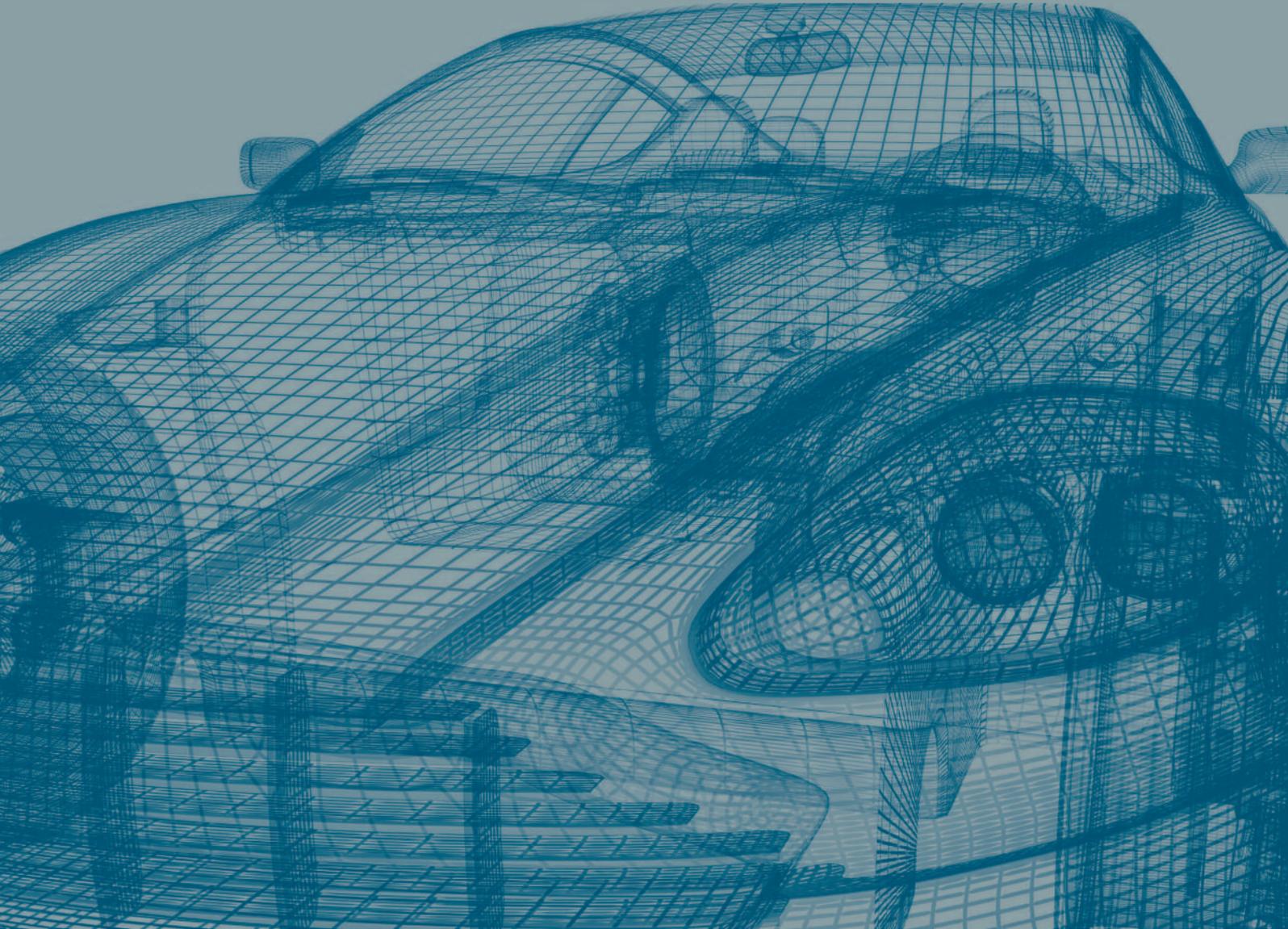


2010-11

world quality report

High Tech: Quality as
Competitive Success Factor



High Tech: Quality as Competitive Success Factor

By Guido Kamann, Vice President, Global High Tech Sector, Capgemini

The 2010-2011 World Quality Report is a result of ongoing collaboration between Capgemini Group and HP Software & Solutions. It presents findings from the 2010 global survey of CXOs, IT directors, quality assurance managers and engineers, and examines the state of application quality and testing practices across different industries and geographies.

Each year, this report looks at current trends in software quality and examines emerging tendencies that may affect the future of testing. Survey respondents are asked to evaluate the level of investment in Application Lifecycle Management (ALM) solutions in their organizations, rate the return on investment for these solutions, answer questions about their testing practices, and assess the general levels of application complexity. In this year's report, we revisit quality trends and approaches and take a closer look at related industry-specific issues and challenges in the High Tech sector.

The full report can be downloaded at <http://www.capgemini.com/wqr2010-11>.
An excerpt for the High Tech sector appears below.

Capgemini's High Tech sector combines a diverse group of companies involved in computers and peripherals, consumer electronics, printing and imaging, telecommunications equipment, software and services and semiconductors.

High Tech companies have been among the fastest growing businesses around the world, fueled by insatiable consumer appetite for faster, more powerful computers, smarter mobile phones and the latest electronic gadgets. Traditionally, technology companies have not been in the forefront of quality. The slogan "it's better to be first than to be better" aptly implies that software developers and equipment manufacturers rush to get their latest products to market to beat the competition without much regard for quality. Consumers have been generous and forgiving. They have accepted that they may have to wait for the second or third release of a new product or for a service pack for the new software package before they can really trust it with their personal data or business processes.

As technology continues to advance and competition heats up, the focus of technology companies is beginning to shift toward quality. Today's High Tech companies are working as

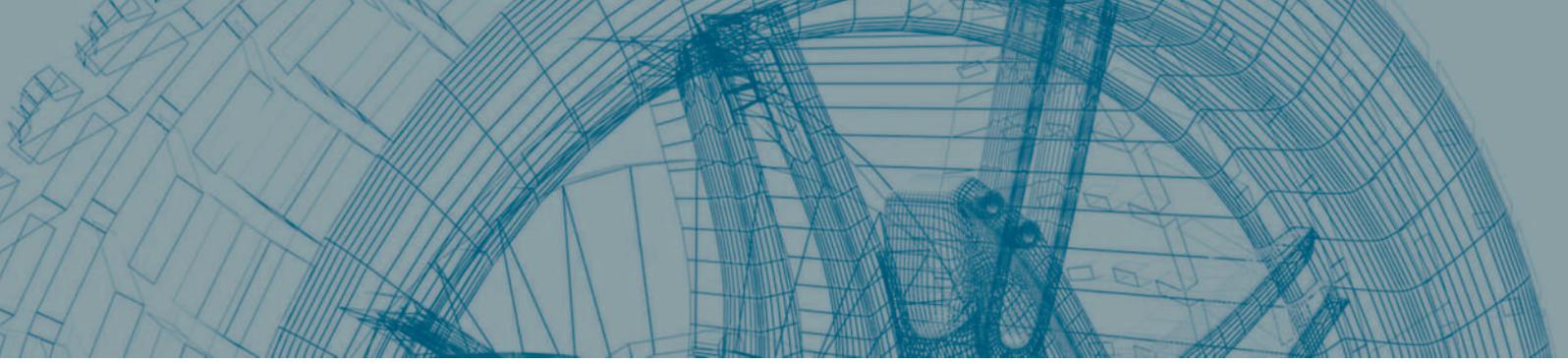
part of elaborate ecosystems of suppliers, partners, service providers, distributors and other essential functions. For this complex chain to work, participating companies have to provide the highest quality products, parts or services. Otherwise, the relationship and trust between partners will be broken, and the delicate system will collapse.

Perhaps even more important is the fact that consumers are beginning to perceive product quality as a competitive differentiator. For high tech devices, quality is not simply about having a product that works as expected and doesn't have any obvious problems. With so many products to choose from – many featuring similar capabilities – customers see quality as the combination of usability, design and the overall user experience. When asked to compare one smart phone model to the next, customers often talk about their preferred product's "quality" – ease of use, breadth of coverage or the variety of available applications and plug-ins. This clearly shows that quality in the technology sector has truly become a competitive advantage. Companies that deliver the most positive user experience can forge ahead.

Our survey respondents concur that application quality has improved over the last two years, although the amount of IT spending has been reduced. Technology companies achieve higher quality with limited resources through efficiency and innovation. They were among the first to adopt agile delivery methods, and continue to be on the forefront of agile adoption. Almost 80% of survey respondents indicate that their companies use agile. Of the respondents using agile, 36% of participants say that over half of their applications are being developed by leveraging agile methods. (See Figure.)

High Tech companies were also among the first to embrace the concept of moving their applications to the cloud to free up datacenter resources and optimize their IT infrastructure. They remain forward-looking, planning to test 25% or more of their applications through the cloud in the next three years.

Technology companies are not as open to outsourcing of testing services as some of the other sectors. In our survey, they were behind only Distribution and Logistics and Public Sector organizations in preferring to keep their testing function in-house rather than leverage offshore resources. This is not unexpected, since the reason for outsourcing is to focus attention on the core business while outsourcing supporting functions such as QA. For technology companies, developing and testing applications and products is the core business, so not surprisingly they prefer to keep quality



closer to the development process. High Tech has the highest number of respondents (76%) who say that their business does not see the primary function of QA as simply executing test scripts. With so many technology companies following standard QA methodologies like TMap® and TMMI, they make QA a true partner in their application delivery process.

About the Study •

The World Quality Report Survey was sent to over 30,000 CXOs, IT directors, QA managers and engineers at various companies around the world. All major industries are represented in the survey: Consumer Products and Retail, Distribution and Logistics, Energy, Utility and Chemicals, Financial Services, Healthcare/Life Sciences, High Tech, Manufacturing, Media and Entertainment, Public Sector, and Telecommunications.

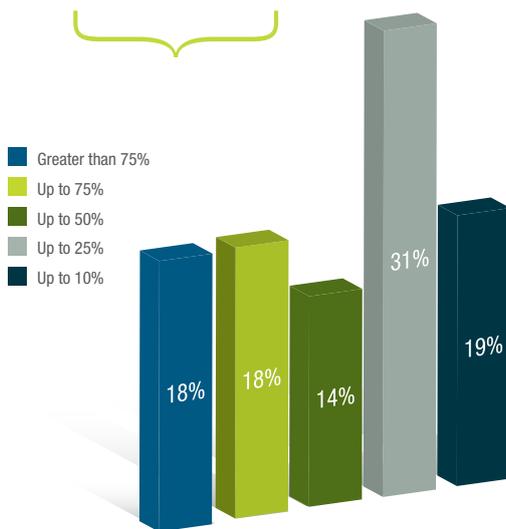
The survey also has a good distribution of company sizes; 38% of respondents are employed by small companies (less than 1,000 employees) followed by 27% by enterprise companies (more than 20,000 employees), 18% by mid-size companies (1,000 to 4,999 employees), and 17% by large companies (5,000 to 20,000 employees).

While over half of respondents come from North America (52%), other regions are well represented: Europe (30%), Asia (9%) and Rest of the World (9%).

In addition to the responses collected from survey participants, the content of this report is supported by Capgemini Group's benchmark data carried out on client projects, best practices, and over 40 years of experience in testing and quality management.

Q: What percentage of your application delivery projects leverage agile methodology?

Figure: High Tech companies remain in the forefront of agile adoption.





About Capgemini and Sogeti

The Capgemini Group is one of the world's foremost providers of consulting, technology and outsourcing services, enabling its clients to transform and perform through the use of technologies. Present in over 30 countries, the Capgemini Group reported 2009 global revenues of EUR 8.4 billion and employs over 95,000 people worldwide. 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 200 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 one of the largest dedicated testing practices in the world, with over 6,400 test professionals and a further 11,000 application specialists, notably through a common center of excellence with testing specialists developed in India.

More information is available at
www.capgemini.com/testing
www.sogeti.com/testing

About HP

HP creates new possibilities for technology to have a meaningful impact on people, businesses, governments and society. The world's largest technology company, HP brings together a portfolio that spans printing, personal computing, software, services and IT infrastructure to solve customer problems.

More information about HP is available at <http://www.hp.com>

Contacts

We value your comments and ideas. We welcome you to contact us in relation to any questions you might have concerning the 2010-2011 World Quality Report.

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