

# WORLD QUALITY REPORT

2011/12

# BRAZIL

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).



Brazil is a fast-growing market, currently positioned as the eighth largest economy in the world, but analysts estimate that it will soon become the fifth largest global economy.<sup>1</sup> The reasons for the growth of the Brazilian market are varied:

- Strong inward investment – Brazil is the third preferred host economy for Foreign Direct Investments for the 2010-2012 period<sup>2</sup>
- Significant projected investment in infrastructure due to World Cup and Olympics bids<sup>3</sup>
- Large-scale government initiatives and funding opportunities from the Brazilian Development Bank<sup>4</sup>
- Social changes such as falling poverty, record job creation, a new middle class, and increased consumer spending

Key sectors that are fueling and benefiting from this growth are Telecoms, with major investment in broadband Internet access and Pay TV; Financial Services with increasingly sophisticated solutions to support operations; and Utilities with significant investment in generation capacity and smart grids in the next few years.

This general expansion and investment is heavily supported by enterprise IT, which in itself is growing more than the economy in general; its growth is predicted to be more than twice that of the country's projected GDP growth in 2011. Some sectors with high levels of automation such as Telco and Financial Services are heavily dependent on IT as an enabler for driving revenue and delivering new products and

## Top Trends

- QA budgets increase
- Adoption of cloud environment on the rise
- Movement towards specialization in testing and methods

<sup>1</sup> Propostas da Indústria Brasileira de Software e Serviços de TI – IBSS; O Valor Estratégico de Tecnologia da Informação, August 2010

<sup>2</sup> United Nation Conference on Trade and Development, World Investment Report, 2010

<sup>3</sup> Gartner Research Emerging Market Analysis: IT, Brazil, 2010 and Beyond. July 15, 2010

<sup>4</sup> Brazilian Economy Outlook, Aug/Sept 2010, Brazilian Ministry of Finance

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**56%** OF THE SURVEY RESPONDENTS INDICATE THAT THEIR BUDGETS HAVE INCREASED FOR QA IN THE PAST TWO YEARS

technologies. This has resulted in IT taking a more prominent role in Brazilian organizations and a stronger focus on application development and maintenance – including testing.

Analysis of the Brazilian data shows that only 30% of testing jobs are subcontracted or outsourced, and only 30% of those are located outside the company. A major preference is to have testers very close to the business, together with a primary preference in nearshore for those looking to outsource their testing activities. This analysis indicates a view of a market in which, due to its maturity level, testing services are closely aligned with the end-users, and require constant interaction between the parties. Particular business requirements and a strong dependency on internal knowledge of applications also play a part in this tendency.

In addition to application development, which is a more mature market for outsourcing, security and performance testing are the primary activities that the Brazilian respondents are looking to outsource. Activities requiring more specialized skills are considered to be suitable for outsourcing to third parties, while activities closer to the business are executed preferably internally.

Our observation of the Brazilian market shows that testing is, in many cases, still rather immature. It is not often considered to be a specialized discipline, and structured testing methods are not widely used. But our survey shows a changing trend. More than 80% of respondents have plans to create a standardized TCOE, and 56% have increased their budgets for QA in the past two years (only 8% have decreased their testing budgets). Companies are also looking for external expertise to help define their testing strategies and build a more consistent and effective approach to application quality.

Turning to the impact of the cloud, 42% of respondents say that at least a portion of their applications are expected to move to the cloud over the next year. This shows a confidence and willingness of Brazilian companies to adopt the cloud. However, there are reservations. Apart from security, performance is one of the greatest inhibitors for moving applications to a cloud environment. Despite these factors, 40% of respondents claim that some critical systems are being moved to the cloud architecture. Security is an area where Brazilian companies are strongly centralized as compared with the international average (44% versus 27%), as decisions on security testing are made by security departments, usually independent from IT and QA. Overcoming the information security barrier will deliver excellent opportunities, and with more and more applications going to the cloud, structured and effective security testing is a must for serious players.

The Brazilian market is at a turning point for testing services. It has certainly matured over the last few years and the indications are that there is likely to be continuous growth in the years ahead, powered by major events, government incentives, and emerging new consumers. With a more competitive environment, the quality of products and services is becoming a key factor to success and the picture captured by this survey highlights some of the difficulties and weaknesses that organizations must address. Industry-specific expertise, coupled with strong testing methodology can make a significant difference and help ensure that enterprises realize tangible benefits from their testing activities. Overall, Brazil has many similarities with the other regions around the world. However, as the testing market in Brazil is following an evolutionary path, already well traveled by other geographies, there is plenty to learn and apply.

## 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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## About Capgemini and Sogeti

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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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