Re-evaluating Priorities and Realigning with the Business

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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 or www.sogeti.com/testing.

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 began a period of slower spending even before the recession, and today, as the economy continues to improve, there is a definite backlog of projects that haven’t been funded. The difference, however, is that High Tech companies are not planning to simply pick up where they left off. Over the years, business needs have changed and new technology solutions emerged, so it is fair to say that High Tech companies are entering a period of re-evaluating their IT priorities and realigning IT resources with the changing needs of the business.

While High Tech is among the fastest-changing industries in the world, the biggest shift in recent years has been in how consumer technology companies handle relationships with their channels and customers. Fierce competition compels technology companies to create distinct marketing messaging and programs for each of their target segments and keep a laser-sharp focus on the effectiveness and results of those campaigns. As a result, we see increased investment in IT systems that help improve customer interactions and track the success of marketing and sales programs. There has also been renewed focus on mobile technologies, as consumers expect to conduct more business using their smartphones and tablet devices.

Not surprisingly, applications that are directly interfacing with the consumer are getting the most attention when it comes to QA. High Tech companies have always raised a higher bar to the quality of their internal applications than most other sectors. At their heart, technology companies are typically engineering venues, and quality standards and frameworks are ingrained in their operations. Many High Tech companies follow established frameworks such as the Information Technology Infrastructure Library (ITIL) as guidance for their application development, testing, and operations. The survey findings confirm that companies in the High Tech sector are ahead of all other industries in establishing a standardized, centralized quality process. An overwhelming 17% of respondents from high-tech companies say that they are running a fully operational TCOE. This is more than five times greater than all other sectors, where an average number of established TCOEs are around 3% (see Figure 30).

While other sectors prefer to outsource a substantial part of their QA function to external contractors and third-party service providers, technology companies often choose to keep their QA expertise and resources in-house. The survey results show that as much as 35% of the High Tech sector respondents are reluctant to use the services of external QA providers. In fact, technology companies were among the earliest adopters of outsourcing practices. They were engaging with vendors in India and other offshore locations long before many of the other industry sectors. Today, the approach of High Tech companies to outsourcing has matured and they can use their past experiences to determine the right mix of internal and external resources for each specific task. Many technology companies have realized that there’s great value in maintaining internal expertise and standards around application quality. While they may be willing to outsource some aspects of testing, maintaining the standards and governance around the QA process and the relationship with outsourced service providers is viewed as an internal function (see Figure 31).
The same element of industry maturity explains why High Tech companies are ahead of several sectors in migrating their applications to the cloud. Over half of our survey respondents (56%) suggest that they plan to migrate between 11% and 50% of their applications to the cloud, while an additional 13% say that they will move more than half of their applications to the cloud infrastructure. Technology vendors are very familiar with the concept of service delivery through shared networks, and have been among the earliest adopters of cloud computing. Technology companies are well positioned to judge the relevance of these technologies to their business models and the appropriateness of which applications are best suited to be used in the cloud.

As profits increase and IT spending grows, we expect High Tech companies to continue investing in applications and platforms that will help them to better respond to the changing business needs and streamline their interactions with the customer. These companies have always been among the earliest adopters of emerging technologies and business practices. Today, they have reached the level of maturity that helps them make the right decisions on what innovations and trends are the most promising to deliver value to the business.
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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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