



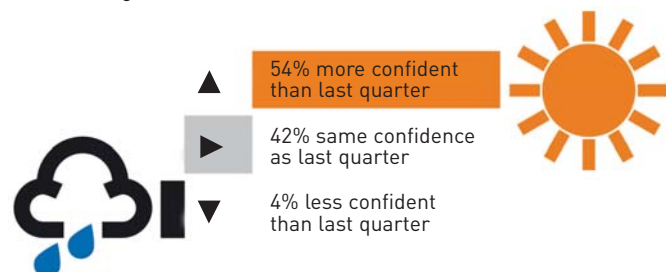
MarketWatch

Welcome to the latest edition of MarketWatch from Centre4 Testing, an objective look at the current mood, trends and hot topics in the contract software testing marketplace. Our survey is formed from the results of an extensive survey of our clients and contractors during April/May 2007.

In addition to reporting on market sentiment, in this latest issue we asked the testing community about its relationship with development teams and how this relationship may have evolved over the years. We share the feedback with you here.

Market Sentiment

Despite an environment of rising interest rates and a slowing housing market, confidence in our sector has risen since the start of the year. In our Winter Survey we reported that 48% of you felt more confident about prospects for the next three months, when compared with the last three. This has now risen to 54% of you. Of greater note is the fact that just 4% of respondents felt pessimistic about the outlook, when as many as 10% of respondents had negative sentiments last time around. Exactly the same number as last quarter, 42%, feel that there's likely to be no change in demand over the next few months.



Jobs advertised

On 8th May, jobserve.com™ advertised 1,693 contract testing vacancies. This represents a sharp spike of 24% up on last quarter. In fact, this number of contract testing roles for "test analysts" or "testers" is the highest recorded since the winter of 2005, when 2,038 vacancies were advertised and goes a long way to explaining the mood of confidence in the sector today. When the phone is ringing with agencies offering job opportunities then it's natural to feel optimistic about prospects for the immediate future.

Q1 04	Q2 04	Q3 04	Q1 05	Q4 05	Q1 06	Q2 06	Q3 06	Q1 07	Q2 07
1,410	1,556	1,393	1,506	2,038	1,369	1,452	1,301	1,360	1,693

Rate of pay

The upbeat feeling across the board has been underwritten by an improvement in rates since last time around. In just three months, average day rates have ticked up from £313 to £317 for Test Analysts. In our last survey, testers told us that they expected to be earning £327 per day and we reported this target with raised eyebrows. Whilst we were right to sound a note of caution, the actual rise, although only 1% or so, is a step in the right direction back to the £320 per day witnessed last autumn when

we recorded our all time high. Our survey respondents tell us that by the summer of this year, they expect to be earning £328 and again we take this ambitious increase with a pinch of salt.

"only 4% have negative sentiments about the outlook for testing demand"

The situation for Test Managers is a little different to that of their juniors. In fact, pay rates have slipped marginally from £427 per day to £424. Their rate expectations at renewal time, or on signing with a new client is £431 per day.

	2004 Q3+Q4	2005 Q1	2005 Q2+Q3	2006 Q1	2006 Q2	2006 Q3	2007 Q1	2007 Q2
Test Analyst	£307	£289	£302	£314	£310	£320	£313	£317
Test Manager	£414	£422	£429	£422	£429	£435	£427	£424

Market Sectors

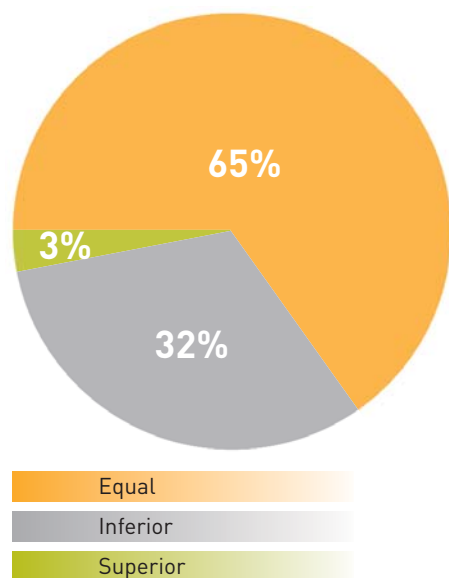
We regularly include in MarketWatch the question as to which sectors of the market are viewed as offering the best prospects in terms of demand – in other words, the 'market hotspots'. Like last time, we've rolled all financial activities into one sector, so this now encompasses the City and we report a small dip from 72% of you who tell us that this is the #1 sector for testing opportunities, to 65% today. The public sector is again the next most active sector for testing vacancies, with 13% of testers advocating that this is where demand is. Telecom companies languish at just 6% in 'the hit parade', whereas many of us can recall the late Nineties when new billing systems gobbled up testing resource as fast as it could be supplied.

Testing in the public eye

If you go to any testing conference, such as Eurostar, Test Expo or the BCS SIGIST events then you'll have been bombarded over the years with the mantra that testing, as a profession, is about to match development as an equal cousin. Will testers finally be recognised for their crucial role in projects, sparing the livelihoods of Project Managers who time and again squeeze testing too late into the project lifecycle with only the loose change from down the back of the project room sofa? Rather than listen to these grey-haired testing 'rock stars' who prowl the lecture circuit, in this survey we asked you for your own opinion as to "how is [testing] regarded by IT and the business as a whole in relation to your colleagues in development roles?". We only gave you three choices of response – equal, superior or inferior. You're a modest lot and just 3% puffed their chests out and gushed that testing was regarded in their organisation as a superior discipline to development (these must be the organisations that we'd all like to work for then!). Not surprisingly perhaps, the vast majority – 65% in fact – feel that they are perceived as being on an equal footing with developers. You'll have done the maths by now and realise that this leaves a worrying 32% of our testing community who are adamant that they are viewed as the poor relation in the project plan. We are surprised and disappointed that this is the

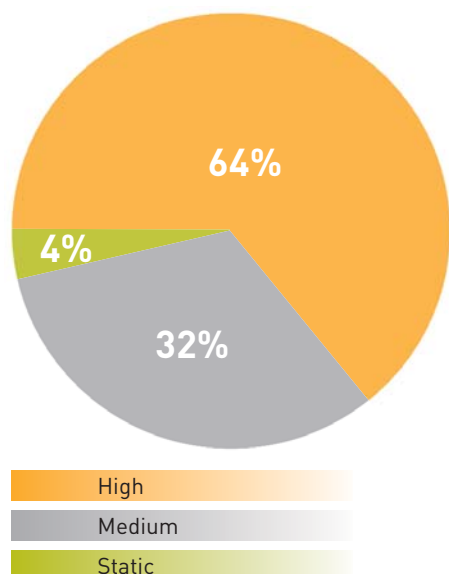
case but, as with any question of perception, you cannot dismiss the feelings that people have. We can make the case against that perception and stack up the evidence to dismiss it – the amount of testing spend, day rates for testers compared to developers, the proliferation of test teams and permanent testing capabilities across organisations – but you cannot simply ignore the feeling of being a poor relation that is still endemic in our community. However, things are changing for the better.

How testing compares to development



The second survey question we asked in this MarketWatch special focus, was “In your view, to what extent over the last 5 years has testing matured in recognition and stature?”. We offered five responses – high, medium, low, static and negative. Mercifully, not one of our respondents felt that we’d slipped backwards. In fact, the reverse is true with 64% of testers telling us that they’ve witnessed testing growing in recognition and stature at a high rate in recent years. A further 32% agree but temper their excitement to the suggestion that the status testing of testing has improved at a medium pace. No-one told us that testing is growing in maturity at a low rate and only 4% of testers believe that testing has remained static in its recognition in recent years.

The pace of change in stature and maturity of testing



So, we’re getting to the heart of the feelings of the testing community. Quite evidently, they’re not the oppressed community of banner wavers that were evident in the run-up to the Millennium. It will be interesting to see how testing continues to be perceived by the wider IT community. Certainly, our survey respondents are qualified to comment. Our Test Analysts in this survey each have an average 8 years core testing experience and our Test Managers 50% more, at 12 years. Steve Wightman, Director of 6PM, a leading systems integrator with offices in the UK and Malta, has for many years been a big fan of the benefit of testing, saying “it’s one thing for an integrator to task one developer to test another developer’s code, it’s quite another to engage a professional testing team to test all aspects of the applications functionality and performance”. But whilst 6PM might be a good example of an organisation that’s committed to quality assurance, Wightman does counsel a note of caution “at the end of the day, we can only help our clients to manage their risk, it’s simply not practical or commercial to provide 100% test coverage”.

“64% of testers believe that testing is growing in maturity at a high rate”

Summary

The period of calm that we’ve referred to in the last couple of issues of MarketWatch continues. Although the market for users of testers is challenging, in that it can be difficult to source highly specific testing expertise, it’s certainly not an impossible task.

The financial services sector has enjoyed a sustained period of boom and not surprisingly has the largest appetite for testing resource. What is surprising however are the continued headlines screaming of failures in public sector systems, despite the huge investments made in IT systems in this area. Take Computer Weekly’s lead story on 8th May, raising “questions about how well the [NHS] systems are being tested before going live” in the light of yet another high profile system error.

Finally, it’s gratifying to see that the tide of increasing recognition of software testing as being on an equal footing with development teams is borne out by our survey of day-to-day life across hundreds of organisations. Long may this continue.

Take part in MarketWatch

The information in MarketWatch is based upon the hundreds of conversations that we have with testing professionals each week. You can also complete the MarketWatch survey online, and download this and previous surveys in PDF format, at www.centre4testing.com Our thanks as always to everyone who is contributing.

If you have any thoughts or feedback, including ideas for questions we should ask or measurements we should take, please contact us on 0870 850 3434 or at marketwatch@centre4testing.com



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