



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 January 2007.

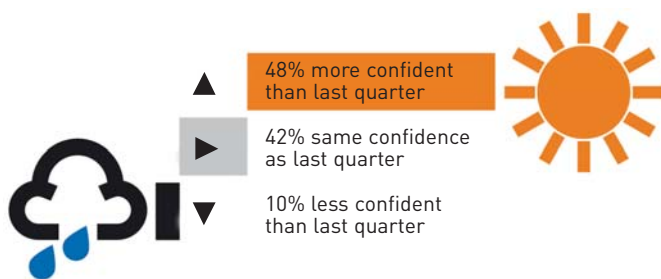
In addition to reporting on market sentiment, in this latest issue we take a look at the use of software testing methodologies. To what extent has the testing community embraced them? What are the most commonly used methods and is there a discernable benefit? We think you'll be surprised at the results.

### Market Sentiment

The past six months have been a period of calm. **It's true that over the last twelve months confidence has slipped** - a year ago a huge **84%** of survey respondents felt increasing confidence for the period ahead but this slipped to **49%** by Autumn 2006. However, this might be the start of a plateau given that a comparable **48%** this time around are feeling bullish about the immediate prospects for the software testing market.

**"42% of contractors feel there's no material change in the outlook"**

At **10%** of the survey, exactly the same proportion of contractors as last time express negative sentiment. The remainder, **42%** feel that there's no material change in the outlook for the coming Spring quarter versus the Autumn/Winter. Certainly, we have witnessed a flurry of activity at the start of the year but this is quickly stabilising.



To mark the start of a new year, we also asked about confidence for 2007 when compared to 2006. Not surprisingly perhaps, the results mirror the short term outlook in that **40%** feel that the status quo will be maintained compared to **49%** who feel more optimistic about the next twelve months. **11%** told us that they believe demand will deteriorate this year.

### Jobs advertised

On 7th February, jobsolve.com™ advertised **1,360** contract testing vacancies. This endorses the belief that the market has reached a plateau just now, since it's less than **5%** adrift of the position last Autumn. The number of jobs advertised is a useful barometer for the market and we've tracked the same criteria for 3 years now. Whilst we've witnessed some swings during this period, in the second quarter of 2004 a remarkably consistent **1,410** testing contracts were advertised.

### Rate of pay

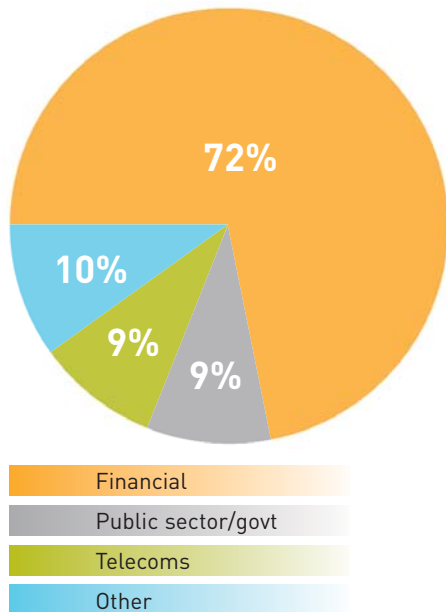
Against a backdrop of levelling out between demand and supply you would expect rates to hold steady too. This is broadly the case, although the reported slip in confidence last quarter does appear to have fed through to a small hiccup in day rates for contract testers at all levels. Those Test Analysts that we polled are currently earning **£313 for a days work**, compared to **£320** in the Autumn - a decline of just over **2%**. Having said that, the previous average did mark a high point and we rightly cautioned that rates might falter slightly. What is surprising is that between them, Test Analysts are wearing rose-tinted spectacles again and are expecting an unrealistic **4%-plus** rate rise to **£327 per day** for new contracts or at renewal time. We have been proven wrong in our forecasting just once in three years and so it's with some justifiable confidence that we caution against overly ambitious rate demands in a market which is quite clearly in a sustained period of equilibrium.

The pay picture for Test Managers resembles that for their team, in that day rates have ticked down **£8** to **£427 per day**. However, as is often the case, the ambition of this seasoned community of testing professionals are more tempered in simply looking to get back on track with their expectation of achieving **£434 per day** next time around. We cannot say if this is achievable but it's certainly more realistic than the inflation-busting target set by their colleagues who are less close to the budget process.

	2004 Q2	2004 Q3+Q4	2005 Q1	2005 Q2+Q3	2006 Q1	2006 Q2	2006 Q3	2007 Q1
Test Analyst	£308	£307	£289	£302	£314	£310	£320	£313
Test Manager	£425	£414	£422	£429	£422	£429	£435	£427

### Market Sectors

We regularly include in our survey's 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'. This time we rolled all financial activities into one sector, so this now encompasses the City and we were staggered to conclude that this 'mega-sector' alone is believed to offer an astonishing **72%** of all contract testing opportunities. That's not to say that this is an accurate reflection of how demand is actually spread across all sectors, it's simply the perception. A perception that has risen from **54%** to **72%** in just one year. Conversely, last years much-talked about public sector has taken the brunt with a landslide fall to just **9%** of all opportunities from a previous position of **25%**. In fairness, the above responses are bang in line with the relative noise from the media - we are all now reading about mind-blowing City bonuses whereas a year ago we were being bombarded with images of out-of-control Government spending. Demand amongst telecommunications organisations is seen to be static at **9%** of the market in common with all other areas of commerce which has hovered at **10%**.

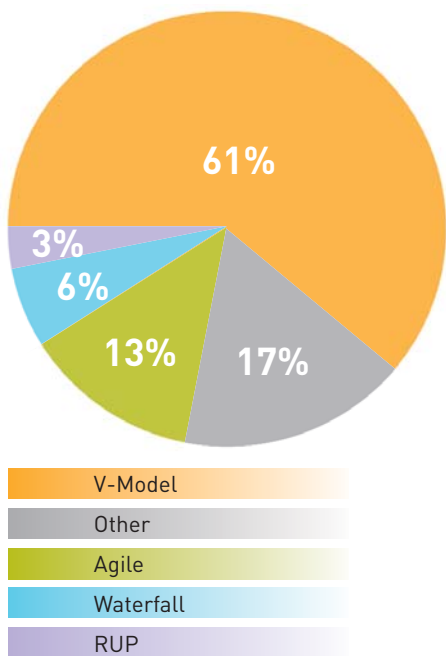


### Testing Methodologies

Given that the professionals in software testing probably have a deserved reputation for being well organised and structured in their approach, we thought we would take a look at the use of testing methodologies in this edition of MarketWatch.

Whilst we don't seem to hear much about methodologies it's encouraging to note that 54% of contractors purport to make extensive use of methodologies and a further 37% use a methodology to a 'reasonable extent'. Only 9% never use one. Where the waters get somewhat murky, however, is the interpretation of what our profession actually understands by the term 'testing methodology'. At it's simplest, some survey respondents suggested that the waterfall method is the approach that they most often adopt. Arguably, this isn't a 'method' at all and the term 'approach' is where waterfall starts and ends.

Which methodologies do we use most commonly?



The trusted V-Model is the methodology which most testers, 61% in our survey, rely on. And with good reason since it provides testers with a graphical means of convincing developers to

introduce testing early and repeatedly into the software development life cycle, as shown in the figure below. However it doesn't go that much further and falls woefully short in just about every aspect when compared to a robust and complete development methodology such as Agile or Prince. In fact, when asked which methodology they favoured, many testers responded that testing within a development methodology was their preferred option.

It is only in fairly recent times that organisations have developed libraries of reusable test assets - a pro-forma approach to developing test plans and a template for scripts, for example. Geoff Thompson, Director of test consultancy Experimentus suggests 'Software Testing as a profession is in somewhat of a renaissance at present. The definitions of what it means to be a profession vary, but what is constant is the need for an understood and repeatable method, be that very structured or extremely agile, everyone in the business needs to understand it and deliver their professional workload within the framework'. Testers across the board support this view, with 46% advocating that a methodology is a 'great benefit' and a further 42% disciples agreeing that there is at least a 'reasonable benefit'. That still leaves a cynical 12% who see no benefit to the use of methodologies but if we're generous, perhaps these are the hardened contractors who bring their deep experience to bear in delivering testing projects time and again.

**"88% of contractors embrace the benefit of testing methodologies"**

### Summary

Last time around we suggested that we were entering a period of calm and this belief has been born out this quarter. Demand for contract testers is stable and it's therefore no surprise that rates are similarly static. As always, we advise contractors to be realistic in their expectations of rate rises but we also counsel hirers of testers that good testers are still hard to source and there's very little to be gained by playing hard ball over a few pounds a day.

Our focus on testing methodologies tells us that whilst the sector has undoubtedly grown in terms of stature and maturity, we've still a long way to go. The interpretation of what is understood by the term 'testing methodology' is wide and varied but the overall consensus, at least, is firmly behind the benefits of using a structured, organisation-wide basis of delivering testing projects.

### 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](http://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](mailto:marketwatch@centre4testing.com)



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