

MarketWatch with Centre4 Testing

The contract software testing market is perhaps the earliest indicator of trends for the rest of our industry. Every quarter we ask our customers key questions designed to tap their knowledge and experience and improve our view of what is happening and may happen.

Market sentiment

Compared to last quarter, **87% of contractors and test managers feel more confident** about prospects for the sector.

Whilst there is overwhelming confidence in the sector today, it would seem that there are distinct pockets of activity and there are a number of high profile projects recruiting large teams of testers. This may have been caused by the downsizing trend of recent years creating a need for teams to be built from scratch rather than backfilling roles ad hoc.

Whereas in the past many contractors enjoyed contracts that extended so often that they appeared to work with companies for longer periods than their permanent staff counterparts, the trend today is to hire contractors for distinct time slices.

Jobs advertised

Contractors tell us that jobserve.comTM is currently their favourite source of vacancies. **1,410 contract vacancies were advertised in the week prior to 23rd April 2004**. Of course, the same roles may have been advertised by multiple recruiters.

Rate of pay

Following the laws of economics, as demand for contractors rises slowly, so do remuneration rates. There's an inevitable time lag between the shift in client's preconceptions, where they have grown accustomed to a

highly competitive market, and contractors for whom the telephone is perhaps ringing a little more than of late.

In the late nineties, as we embarked upon year 2000 projects, clients adopted a stance towards day rates rather than hourly rates which had previously been the norm. With a "professional day" typically defined as being 8 hours, overtime is paid only in exceptional circumstances, enabling clients to budget more accurately and avoid project cost creep.

Our methodology for reporting rates is based upon the amount actually paid to contractors. This removes the discrepancy of a wide range of margins applied by recruitment agencies and consultancies who then sell on the contractor to the end client.

Test analyst: **£268** per day

Test manager: **£384** per day

These same test analysts seeking new contracts today are looking for upwards of **£280** per day, an increase of 4.5% plus.

Market skills

The top three skills in demand by our clients today are:

- 1 **J2EE**
- 2 **Oracle**
- 3 **retail banking experience**

Next time we'll include a special focus on the banking and finance sector. If you have ideas for the questions we should ask or measurements we should make, or would like to be included in our polls, please contact us at marketwatch@centre4testing.com.