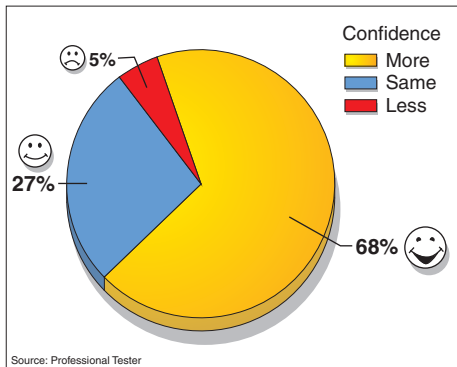


MarketWatch Q1 2005

Every quarter we take an objective look at market sentiment, trends and hot topics in the contract software testing market, based on our customers' and contractors' answers to pertinent survey questions. In this issue we touch upon the demand and rates for software testing tools experience.



September 2004 and back to where we were last June. This has been a fluctuating indicator which hasn't always run entirely in-sync with our confidence barometer. We can only conclude that it is affected by repetitive advertising of the same job, for example ten recruiters may be advertising the same contract vacancy for one end-user. The bottom line is the endorsement in the overall stability that we are currently enjoying in our sector.

68% of our survey respondents representing a cross-section of contract testing professionals feel more confident about the prospects for the next quarter than they did last quarter. While this is only a small shift from last quarters 73%, there's a trend here, since at last summer's peak, 86% felt more confident. Of equal significance is the fact that 27% feel the same level of confidence about our sector quarter-on-quarter, versus 20% last Autumn. Perhaps we should be reassured that only 5% feel less confident about our prospects.

Interestingly, contractors in the North of England are not as bullish about prospects for the market as their counterparts in London and the South.

Jobs advertised

On 17th February, 1,506 contract testing vacancies were advertised on jobserve.com™; an increase of 8% over

dramatic £18 per day on last Autumn. This is at odds with our statistics that show that 82% of all testers will aim for a rate increase of 9% when negotiating their next contract! Following this logic, the target rate that Test Analysts across the board have set themselves seems to be £315 per day.

Test Managers are enjoying a smoother ride and their rate expectations for their next contracts are neutral. It seems that Test Analysts might do well to reflect on this more realistic outlook too.

Market Skills

While a large number of organisations have invested in test tools and that number is still increasing, it's probably fair to say that tools haven't become the panacea that some observers may have led us to believe. But a solid working knowledge of one or more test tools is well worth having.

Test tools loosely fall into one of three categories:

- Test management
- Test scripting & execution
- Performance testing

In our analysis of thousands of UK contract testers, 79% have experience of at least one test tool. Many of these may be testers who have worked with a test management tool only and in rate terms there's very little discernible premium for this experience. However, experience of Mercury's new QuickTest Professional tool, whose increasing popularity we noted in our last survey, could earn you £350 per day which is at least 20% more than the average daily rate for a Test Analyst.

Many contract testers highlighted their resentment of the fact that so many recruiters place such a high reliance on very specific test tool knowledge, pointing out that it's not that difficult to master a new tool when you're used to the concepts and protocols behind the use of most test tools.

Rate of pay

Our table shows the average rates actually paid to contractors, excluding any agency or consultancy margin.

	Test analyst	Test manager
Q4 2003	£268	£384
Q1 2004	£280	£400
Q2 2004	£308	£425
Q3 2004	£307	£414
Q1 2005	£289	£422

This is the first quarter since the start of our survey 12 months ago in which the decline in the average daily rate for Test Analysts is notable. Remember that these are the rates actually achieved by contractors working today. We are still £9 per day ahead of where we were a year ago, but seem to have dropped by a

However, so long as they have a choice, it seems reasonable for hirers to expect an expensive contract tester to be up-to-speed with their preferred test tool.

At the top of the scale, testers who specialise in load testing command the best rates. Perhaps this is because they combine a rare combination of technical- and scenario-based modelling skills as well as intimate knowledge of a single load testing tool. Rates for load testing professionals start at about £400 per day, with a handful earning £600 a day or more.

Mercury Interactive has without doubt stolen the show in the UK. When asked "in your opinion, which test tool is in most demand?", all bar a tiny handful of MarketWatch respondents pointed to Mercury's set of tools. These testers referred to Rational and Compuware products and did not mention the smaller vendors. Within the Mercury space, our respondents ranked the following in terms

of perceived demand:

1 WinRunner	3 LoadRunner
2 QuickTestPro	4 TestDirector

Summary

This has been an interesting quarter. Whenever a market takes a run in a certain direction, there's always a lag between education gained yesterday affecting decisions made today. The stock market is the obvious example, with increasing numbers of investors piling in to the last technology boom in the hope of making the much-advertised gains, just as the market was peaking. So it is with the dichotomy between rate expectations for next month and the actual experience of those securing new contracts this month. We suggested in the Autumn that we'd had a good year "but we shouldn't expect demand and therefore pay rates to continue to grow at the same speed" (Professional Tester Nov 2004). Bearing in mind the slight slippage in day

rates for Test Analysts, this has turned out to be prophetic and thoughts of 9% rate rises are too ambitious. But there's nothing to worry about and you should be able to hold your rate firm enough. If there's the opportunity to enhance your tool skills then this is worth investing in, particularly it seems if you've an opportunity to migrate to QuickTestPro!

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 Thanks to all contributors ■

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