



Welcome to the latest edition of MarketWatch from Centre4 Testing, an objective look at the current mood, trends and hot topics in the software testing marketplace. Our report is formed from the results of an extensive survey of our clients and wide community of software testers during June 2010.

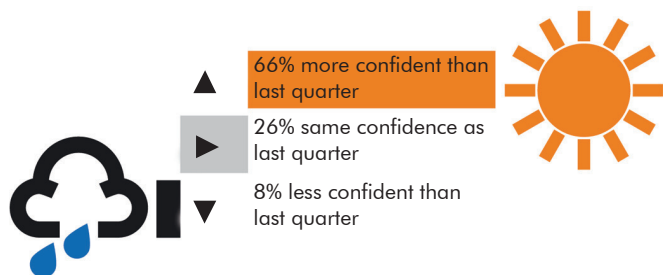
Since our last survey, taken in the first couple of months of 2010, we've been through a general election and a European Union debt crisis but we think you'll be relieved to learn that according to the hundreds of testers we speak with each week, the recovery is enduring. Check out our confidence barometer and latest rate data.

In this issue of MarketWatch we take a look at test automation and report your views as well of those of Julian Dobbins, from leading tools provider Micro Focus. We trust you find this makes interesting reading and welcome your comments.

Market Sentiment

Our last issue traced the story of confidence over the last year or two and we remarked that the green shoots of recovery were taking hold. In fact, confidence in a more positive outlook is right up there. **66%** of our survey respondents are more confident about the outlook for the next 3 months when compared to the last 3. This is very similar to **69%** last time around and the difference is not worthy of note. Also along similar lines to our last survey, the number of people who believe that the outlook is broadly stable is **26%** of our response. It was **28%** last time.

Those testers who are more concerned about the period ahead number **8%**, whilst this was a fraction higher at **11%** in Spring's MarketWatch. At least there is still a minority that doesn't follow the herd.

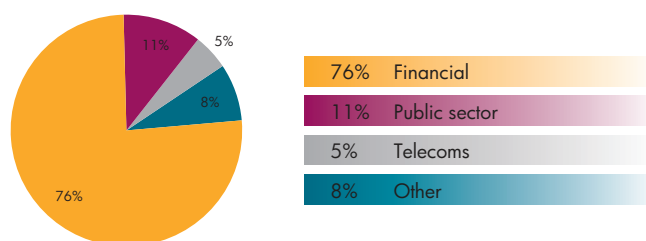


Outlook for the next 3 months

From time to time we report on which sectors of the economy are showing most demand for testing services and it's no surprise at all that the once-again flourishing financial services sector is where demand is most prevalent at the moment. What is surprising however, is just how dominant this sector currently is – indeed, an extraordinary **76%** of you are adamant that this is the hottest sector for testing. Our own sales teams at Centre4 Testing would concur and point out that testers are currently required right across investment banking, retail banking and also the insurance sector, where there are several new regulatory drivers of demand. The public sector comes second by a long shot of course, with just **11%** of testers identifying this as the source of current demand. We suspect

that the much-publicised central Government cutbacks might cause demand to dwindle further and it seems a distant memory that only 2 or 3 years ago this sector was home to a number of headline grabbing IT projects that consumed huge teams of professional testers. Telecoms is the only other sector which is separately identified, with just **5%** of the vote and the remaining **8%** of our survey point out other sectors, including retail, as to where the demand for testing is emanating from.

Sectors in Demand



Rate of pay

We've been living in uncertain times for over 18 months now so it's a welcome relief to report that it's not just our confidence barometer that has stabilised in recent months. Rates too have stopped oscillating and as you would expect in an environment of broad economic recovery, they're even ticking up a little. Whilst Centre4 Testing is a provider of managed services incorporating test consulting, contract testers and permanent staffing, the most objective measure of rates is the day rate paid to experienced testing contractors and this has been the basis of MarketWatch for the last 6 years. It provides an absolute indicator and our research team and systems need only differentiate between test analysts and test managers, the latter including team leaders.

In the Spring, we reported that the average day rate for Test Analysts was **£306** and that the expectation by now was for **£313**. Well, we haven't quite recovered to that level yet but we're on the way, with **£309** per day on the table. You're telling us that you expect **£322** by the Autumn but we suggest that this is probably a little ambitious. Although it's getting noticeably harder to secure good, new talent there is still a little spare capacity in the market.

Rates for Test Managers have barely shifted – we reported **£420** per day 3 months ago and today the average stands at **£421**. This group, which arguably represents a more experienced cross-section of the testing workforce, is hopeful of stretching day rates to **£440** for their next contract or extension but we suggest that this is likely to be nothing more than hopeful conjecture.

Test Automation

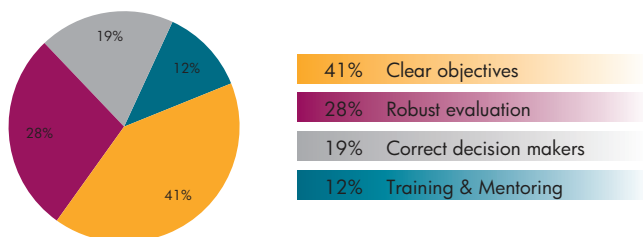
In this issue we focus our spotlight on test automation. As well as seeking the views of those working in the test sector every day we also met with Julian Dobbins, Head of Analyst Relations at Micro Focus, the FTSE250 provider of Enterprise Application Modernisation, Testing and Management Solutions that has acquired Borland and the test automation products of Compuware. Some of you

may recall that Borland acquired Segue in 2006 and we should use this opportunity to clarify Micro Focus' strategy and confirm that the testing suites from Borland and Compuware will morph towards a stable of products under the Silk brand and incorporate best-of-breed features and functionality from its predecessors. Silk Suite currently comprises SilkCentral Test Manager (SCTM) for test management, SilkTest for automated functional and regression testing and SilkPerformer for automated performance testing. Whilst the number of licences from Micro Focus may trail just behind IBM's Rational tool-set and current market-leader HP (now home of the Mercury tools), Micro Focus is determined to leverage its position and build on the strong platform it has acquired. After all, the tools today are regarded by independent experts to be a strong offering with good overall support for distributed environments, Agile test management processes and testing automation as regards new technologies such as Ajax, Flex and other web technologies.

Julian Dobbins recognises the growing trend towards software development in an Agile environment and we concur, yet point out that the Agile label has a wide-ranging definition and is increasingly applied to any unstructured, collaborative development environment. Often Agile simply refers to iterative development cycles and rapid but thinly veiled waterfall practices. We asked our survey respondents whether, in their experience, test automation is more or less prevalent in an Agile environment compared to a traditional development set-up. The grey definition of Agile and what it means to different organisations is most likely the explanation for the wide-ranging response. 47% of respondents believe that automation is more likely under Agile methods, whilst 20% completely disagree and believe that it is less common. 37% tell us there's no discernible difference.

The next question we posed our audience of testers was, "what is the single most important factor for an organisation to derive the greatest return-on-investment from test automation?". You explained to us in no uncertain terms that 'clear objectives' are the key factor and 41% believe this to be most important. A proper evaluation, presumably incorporating a full proof of concept, was held by 28% of our survey respondents to be the key, followed by 19% who felt that the fundamental was simply getting buy-in from the right decision makers in the first

Automation Success



instance. Interestingly, mentoring and training trailed the field with the remaining 12% of the vote, although the Automation & Training practice within Centre4 Testing is currently seeing an increasing number of clients taking advantage of skilling-up their testers in order to drive more productivity out of their investment in tools licences.

The final thought we asked MarketWatch participants to reflect on was the percentage use that they believe organisations get from their test tools. Clearly this is a highly subjective view and there's no science. We were surprised that the average was a positively high 72%, however we should be quick to

add that the range of results was staggering with 5% at the low end and 90% at the other end of the scale! As we say, there's no science – since how do you use 5% of the breadth of functionality or sweat as much as 90% of the asset? What value would you ascribe to your own organisations breadth and depth of use of its test automation tools? The statistic is unashamedly included for a little bit of fun.

Micro Focus make much of the fact that their tools, which with CaliberRM get right to the start of the requirements definition phase, underpin collaboration and few would dispute Julian Dobbins' assertion that "improved collaboration drives productivity and software quality". Dobbins signs off our interview by posing a poignant question for our clients and the wider community of software testing professionals, "if you're making process improvements, does it actually improve things?". In other words, what is it that's actually lacking in your processes – quality, speed to market or lower costs for example? Food for thought indeed.

Summary

It's clear that demand for testers and testing services has continued to pick-up over recent months and this is welcome news for all of us in the industry. What's not quite so clear is the impact that the much mooted, deep government spending cut-backs will have, not only on the IT sector but also on the economy generally. Whilst this survey is not the platform for political rhetoric, most would argue that national debt cannot continue to rise at the same rate as it has been but few of us relish cuts in our own back yard. There's no doubt that businesses have loosened the purse strings for tactical spending but it's not quite so clear that a host of strategic IT investment programmes are being signed-off in abundance.

We were spoiled for much of the first decade of this century and it seemed that "return on investment" was often little more than lip service in a business-case. Today, however, organisations are rightfully paying more attention to ROI and this may be a driver for them to get more out of their existing investment in test automation or even consider new investment in tools. The term Agile is likely to become increasingly prevalent in systems development and it's important that automation supports collaborative environments.

Welcome to an era where we've a healthier regard for the difference between expenditure and investment. A comfortable equilibrium perhaps, where value-for-money may not mean cheap but where quality matches cost?

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 survey and others going back to 2003 in PDF format, at www.centre4testing.com Our thanks as always to everyone who is contributing and a special thanks to those quoted in this issue.

If you have any thoughts or feedback, including ideas for questions we should ask or analysis we should undertake, please contact us on 01273 666 799 or via marketwatch@centre4testing.com



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