UNDERSTANDING CLIENT EXPECTATIONS FROM A TCOE

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A third-party conducted a survey of Infosys clients with significantly large revenues (greater than $ 5 billion) across a spectrum of industries ranging from healthcare to financial services. The survey was aimed at understanding the key differentiators that clients – mostly senior QA executives – seek from a business perspective of implementing a Test Center of Excellence (TCoE) and the lessons we can learn from their experience in setting up a TCoE.

This paper covers the salient points of the survey.
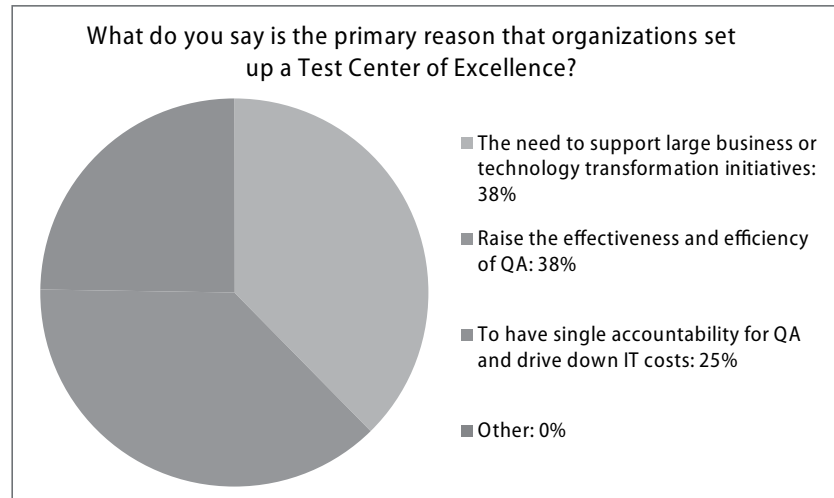
Business Drivers

With the advancement of technology, rising consumer expectations and unforgiving competition, organizations are being driven to add to and enhance their wide range of applications to better achieve business goals. One such initiative is the implementation of the "Test Center of Excellence" or TCoE.

The most important insight the survey provided was that **large business/ technology transformation initiatives are the top driver for setting up a TCoE (as indicated by 38% of the respondents).**

These initiatives can often make or break an organization's reputation in the market, making every part of the initiative, including the TCoE, a critical component of the exercise. Respondents also revealed that improving the effectiveness and efficiency of QA – which is the sole custodian for the organization's testing needs – and reducing cost are the other main business drivers for establishing a TCoE within their organizations.

What do you say is the primary reason that organizations set up a Test Center of Excellence?

- The need to support large business or technology transformation initiatives: 38%
- Raise the effectiveness and efficiency of QA: 38%
- To have single accountability for QA and drive down IT costs: 25%
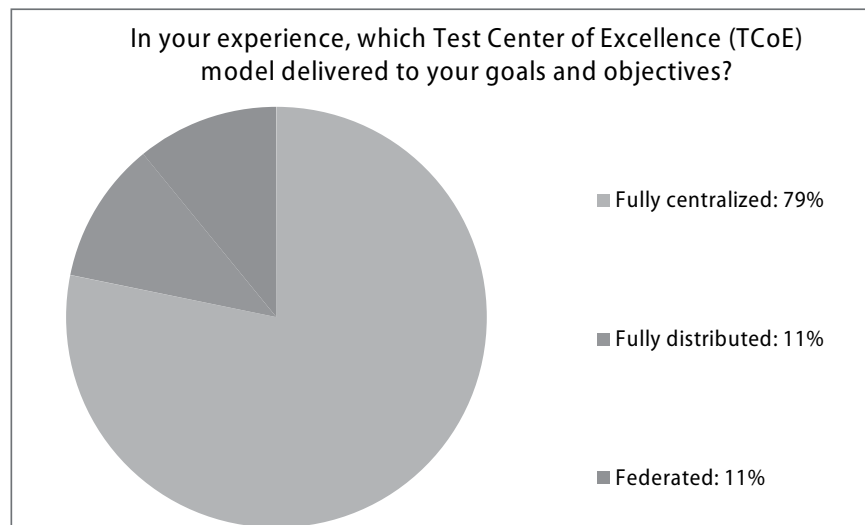- Other: 0%

Deliver Excellence

Testing organizations across the world employ testing centers of excellence using various models such as centralized, distributed and federated.

However, increasingly organizations are looking for testing teams to work in a centralized setting instead of traditional 'silo-ed' testing teams. **A whopping 80% of the respondents chose the centralized QA model ahead of other models such as federated or fully-distributed models.**

The primary reason for this could be that the centralized QA model achieves better operational efficiencies, more effective transformation of the testing organization and accurately fixes accountability better than the other models.

In your experience, which Test Center of Excellence (TCoE) model delivered to your goals and objectives?

- Fully centralized: 79%
- Fully distributed: 11%
- Federated: 11%

Benefits

The survey also took a close look at the benefits the respondents realized from their TCoE setup.

In terms of **quality improvements that clients experience within the first year or two of implementing their TCoE, the majority of them (60%) found 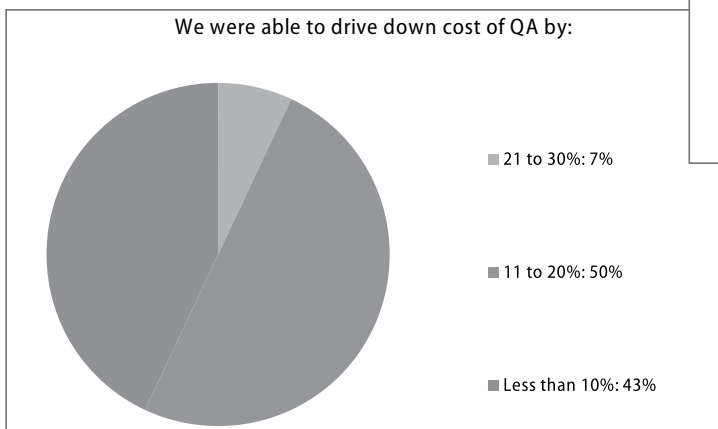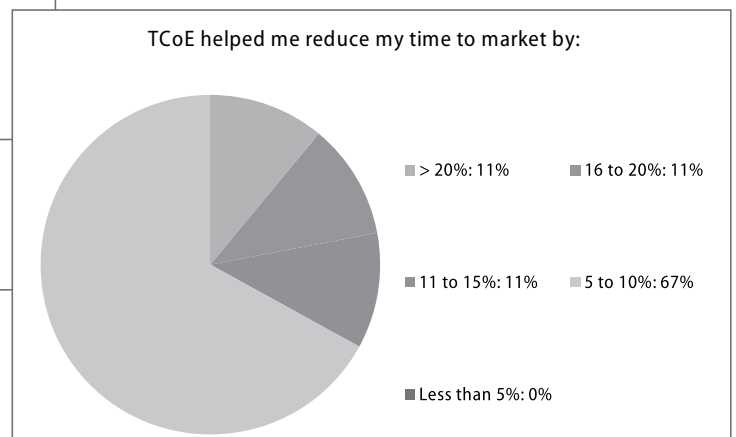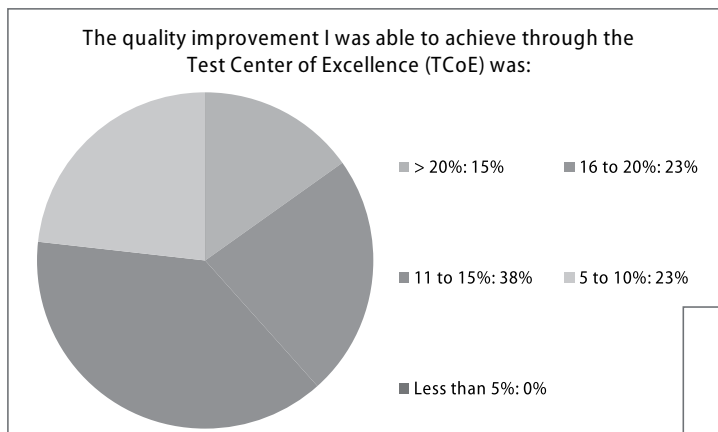a definite improvement of 5 to 15%**. A section of the respondents (15%) witnessed an improvement of as much as 20%. Infosys achieves these results by conducting maturity assessments of the client's testing services **against broader industry benchmarks** and **recommends convertional changes** that can be quickly implemented with minimal risk and quick returns, resulting in desirable outcomes for the organization.

Time, as Benjamin Franklin once said, indeed is money – especially in the volatile environment that companies today operate. In the testing world, QA managers have always been under pressure to complete testing faster to be able to **deliver to the market** sooner. Around **35 % of the respondents find that they are able to achieve at least 10% improvement on this front by implementing a TCoE**. Infosys, with its global experience and technology expertise, brings to the table comprehensive services like Dev/Test on Cloud and Non Production Environment and Data Services that reduce time to market for clients.

It is a self-evident truth that costs erode

profits – yet organizations frequently ignore some obvious reasons for high costs. Some of these reasons associated with testing practices are lack of planning, distributed teams and complacency. We bring with us the strategic focus to QA coupled with access to global talent, differentiated tools/solutions and business understanding to reduce costs through our partnership. In fact, the survey proved that Infosys was highly effective in reducing cost and time to market. No wonder that **around 60 % of the respondents indicated that TCoE helped bring down costs by more than 10% in the initial phase.**

The quality improvement I was able to achieve through the Test Center of Excellence (TCoE) was:

- > 20%: 15%
- 16 to 20%: 23%
- 11 to 15%: 38%
- 5 to 10%: 23%
- Less than 5%: 0%

TCoE helped me reduce my time to market by:

- > 20%: 11%
- 16 to 20%: 11%
- 11 to 15%: 11%
- 5 to 10%: 67%
- Less than 5%: 0%

We were able to drive down cost of QA by:

- 21 to 30%: 7%
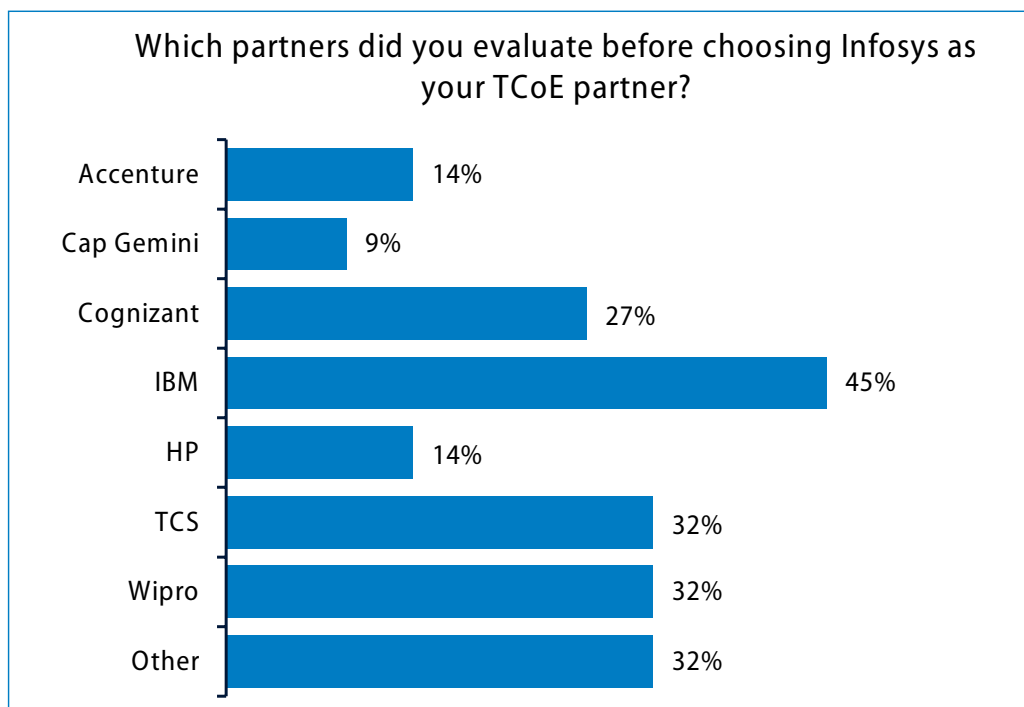- 11 to 20%: 50%
- Less than 10%: 43%

To accomplish all the benefits of a TCoE mentioned above, Infosys has a well-defined framework for assessment and building a roadmap to improve effectiveness and efficiency of the testing function. Some of the important components of this framework are:

- Assess current test maturity using Infosys Enterprise QA enhancement model
- Prioritize initiatives and mark quick wins
- Design and implement initiatives across the enterprise
- Measure and communicate value derived from TCoE

Market Landscape

TCoE is offered by several IT players. **Nearly 30% of the respondents evaluated IBM, TCS, Wipro and CTS before choosing Infosys as their TCoE partner**. Infosys' differentiators including experience of over a decade, thought leadership and the ability to provide tangible outcomes resulted in clients' buy-in and partnerships.

Which partners did you evaluate before choosing Infosys as your TCoE partner?

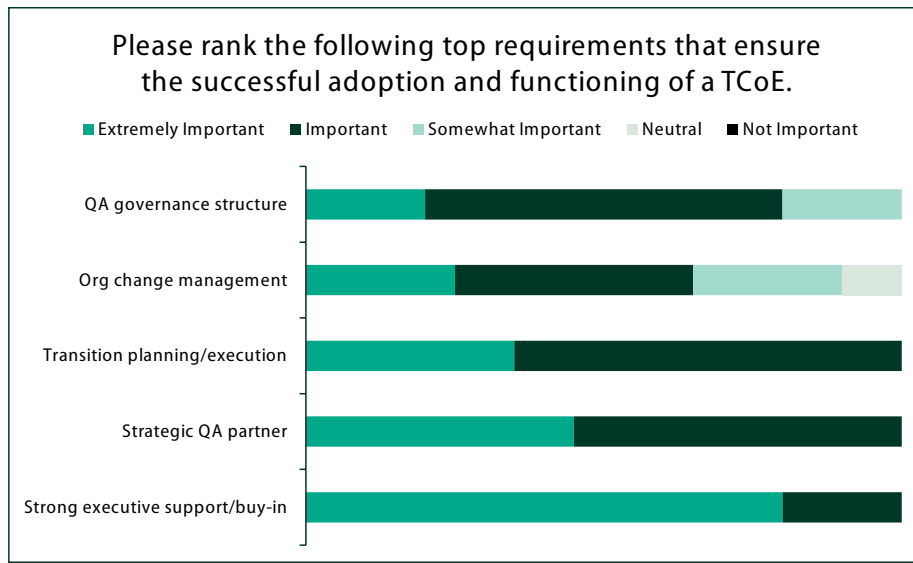| Partner	Percentage
Accenture	14%
Cap Gemini	9%
Cognizant	27%
IBM	45%
HP	14%
TCS	32%
Wipro	32%
Other	32%

Success Metrics

It is clear from the above statistics that TCoE is an effective model in the progressive yet challenging business environment. Even so, it was important to understand what ensures the success of a TCoE model with tangible benefits.

This survey helped us get answers to this.

A valuable insight we got was that most **(nearly 80%) of the respondents felt that top management's buy-in is the most important requirement for the success of TCoE**.

This indicates clearly that executive sponsorship in the client's own organization is a key factor, as significant change management is required to ensure modifications in working style. This is critical for the change required to achieve the desired outcomes of establishing a TCoE.

Please rank the following top requirements that ensure the successful adoption and functioning of a TCoE.

Legend: ■ Extremely Important ■ Important ■ Somewhat Important ■ Neutral ■ Not Important

- QA governance structure
- Org change management
- Transition planning/execution
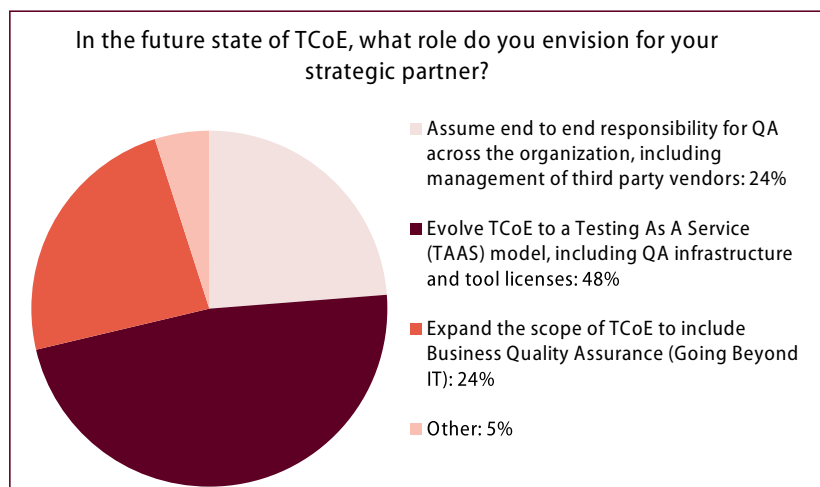- Strategic QA partner
- Strong executive support/buy-in

Infosys as Strategic Partner

Our appetite to know more and to better understand the future expectations of customers took us further. With the help of the third-party, we asked our respondents about their expectations from us as a strategic partner.

The message was loud and clear from nearly half the respondents: **TCoE must evolve to provide QA infrastructure and tools licenses under the Testing-as-a-Service (TaaS) model**.

Almost a quarter of them suggested that TCoE should increase its scope to cover Business QA and go beyond IT. Another 25% of the respondents, however, emphasized end-to-end management of QA including management of 3rd party vendors at the enterprise level.

In the future state of TCoE, what role do you envision for your strategic partner?

- ■ Assume end to end responsibility for QA across the organization, including management of third party vendors: 24%
- ■ Evolve TCoE to a Testing As A Service (TAAS) model, including QA infrastructure and tool licenses: 48%
- ■ Expand the scope of TCoE to include Business Quality Assurance (Going Beyond IT): 24%
- ■ Other: 5%

Success Stories

Large healthcare company reduces time to market by ~10%

A large healthcare enterprise reduced its time to market by around 10% and improved quality by more than 20% with a fully centralized TCoE.

Improving quality with Infosys

A global 500 professional services company improved quality by around 15% with Infosys' Test Center of Excellence.

Infosys rated as 'outstanding'

A large insurance company ranked Infosys as "outstanding" in helping achieve planned testing goals.

Infosys as 'partner of choice'

A leading financial services company chose Infosys over Cognizant, TCS, and Syntel as their TCoE partner of choice.

Methodology and Research partner

The client surveys were conducted using a third party, which used an automated software platform

The third-party is a hosted solution developed for the creation of customer evidence content. It allows companies to extract content from the 90% or more of their customer base that does not participate in traditional customer-referencing activities. Using the tool, companies can extract quantifiable operational and financial metrics from the customer base and instantly turn that data into usable, third party verified marketing materials.

For more information, contact askus@infosys.com

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