The Cost-Saving Opportunity in Transforming Testing

Tricentis

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Software testing is often one of the most expensive—and inefficient—components of an IT budget. Most IT leaders are shocked to learn how much their organization spends on software testing. Over the past 5 years, software testing has consumed an average of 23-35% of the overall IT spend (according to Capgemini's interviews with 1725 IT leaders[1]).

[1] Capgemini, Sogeti, HPE, World Quality Report 2019-20, 2020 (https://www.capgemini.com/us-en/research/world-quality-report-2019/).

A painful glimpse

How does this play out on the ground? On the right, you'll find a painful glimpse at what testing costs on some specific projects at Global 2000 organizations (all figures are per year).

Given that most IT departments have *hundreds* of projects and *thousands* of applications to test, these costs quickly add up—and eat up an exorbitant chunk of the IT budget.

It doesn't have to be this way. There's a huge opportunity to unlock substantial cost savings by optimizing testing. In fact, the companies with the costly testing processes on the right have already achieved an average of 59% cost savings (approximately $20M a year) by transforming inefficient software testing processes. At the same time, they also increased speed to market by an average of 26%.

Projects at Global 2000 organizations

$7.5M
Cost to test 22 applications at a $40B retailer (53% automation)

$25M
Cost to test 12 applications at a $22B bank (2% automation)

$1.3M
Cost to test a single application at a $19B healthcare provider (0% automation)

Why is software testing so costly?

How did software testing become such a money pit? The short answer is that testing processes built for a much different era have become more of a liability than an asset. What might have worked with bi-annual or quarterly releases of monolithic applications doesn't translate to the near-continuous releases of heterogeneous, distributed applications now standard with Agile and DevOps. Trying to retrofit is inadequate...and costly.

8 reasons testing is expensive

AUTOMATION BARRIERS
Over 80% of testing is still manual, including much repetitive checking ripe for automation. That consumes resources without achieving the speed, precision, and scalability required for modern delivery processes.

COMPLEXITY
Assessing the overall user experience is always challenging— even more so when the average app interacts with 52 other components and a transaction spans web, mobile, APIs, SAP, custom apps, mainframes, etc...

MISGUIDED TESTING
Approximately 67% of the tests being built, maintained, and executed are redundant and add negligible value to the testing effort.

UNATTAINABLE AUTOMATION COVERAGE

Legacy testing processes have become a liability in the world of modern applications, Agile, and DevOps.

HIGH-MAINTENANCE TEST AUTOMATION
As applications evolve, poorly-written and overly-brittle tests break. Testers waste 31% of their time reviewing and fixing broken tests.

REDUNDANCY AND REWORK
Siloed and disconnected testing efforts commonly lead to duplicated efforts as well as avoidable rework.

REWORK

TEST DATA WAIT TIME
The majority of testers waste 5-15 hours per week dealing with the test data needed to execute realistic tests (average wait time for test data = 2 weeks).

TEST ENVIRONMENT DELAYS AND COSTS
84% of testers are routinely delayed by test environment access. Plus, access fees are often charged when testing against 3rd party services and mainframes.

USER INTERFACE (UI) WAIT TIME
The vast majority of testing (80%) is performed at the UI-level, but UIs typically aren't completed until the very end of each development cycle.

DELAYS

8 cost-saving opportunities

DEMOCRATIZE AUTOMATION
Test automation doesn't require programming resources and a high learning curve. Scriptless automation empowers everyone to create and control their own automation.

UNIFY TESTING APPROACHES
Relying on a different specialist and tool set to test each technology fast becomes unmanageable. Seek cross-technology or technology-agnostic approaches.

TEST WHAT MATTERS
Aligning testing with business risks delivers the greatest ROI in the shortest time. With the right approach, you can cover > 80% of your risks with < 20% of the effort.

SUSTAINABLE AUTOMATION

Once you understand the nature of the beast, you can start to tame it. Here are some proven strategies for tackling the challenges outlined earlier.

ELIMINATE THE MAINTENANCE TRAP
There are many different approaches to test automation, and some are more resilient than others. The less maintenance is required, the lower your total costs.

PROMOTE COLLABORATION AND REUSE
Rework, misunderstandings, and mistakes can be prevented by coordinating all QA activities in a central platform that syncs efforts across testing and project management tools.

RESILIENCY AND REUSE

OFFER ON-DEMAND TEST DATA
Enabling testers to access/create the required test data on demand eliminates wait time as well as false positives (which are resource-intensive to review).

SIMULATE TEST ENVIRONMENTS
Simulating the behavior of connected systems eliminates access fees and ensures that testing can proceed even if test environments are unavailable or unstable.

SHIFT LEFT TESTING
With new testing technologies, testing can begin before UIs are implemented. Test at the API layer and use AI-based technologies to create UI tests before UIs are completed.

SELF-SERVICE + SHIFT LEFT

Reduce testing costs fast with Tricentis

The days of painfully slow and costly testing are over. Meet Tricentis. Using our continuous testing platform, you can release software insanely fast. Leveraging AI and the efficiencies of the cloud, you'll accelerate software delivery by drastically reducing test cycle times. You'll reduce costs by leaving error-prone manual or siloed testing methods in the dust. And you'll dramatically increase the quality of your software, boosting release confidence.

Our end-to-end automation platform is built for the enterprise from the ground up. Whether it's model-based automation or complete enterprise reporting and analytics, you'll rest easy knowing Tricentis is the undisputed leader with over 1,800 customers around the world.

The result? Everything changes. Your business wins more business, eliminates bottlenecks, and creates fiercely loyal customers.

8 OF THE TOP **10**
Insurance Companies

7 OF THE TOP **10**
Global Banks

6 OF THE TOP **10**
Financial Services

7 OF THE TOP **10**
Telco Providers

7 OF THE TOP **10**
Global Services Providers

5 OF THE TOP **10**
Energy & Utilities Companies

ADVANCED ANALYTICS
Cross Project and Portfolio Visibility

Continuous Testing and Automation Platform

Analyze	Manage	Automate

Assess Risk
Reduce testing efforts by exposing risks in critical business processes

Design and Build
Design manual, open source and no-code automated tests

Execute at Scale
Scale distributed end-to-end testing from mainframe to mobile

MOST-AT-RISK IDENTIFICATION

TEST DESIGN ALGORITHMS

A.I. POWERED

PREDICTIVE ANALYTICS

NEURAL OPTICAL ENGINE

We've helped industry leaders slash testing costs. We'll help you too.

Tricentis knows exactly how to help you pivot your inefficient software testing from obstacle to opportunity. Our secret sauce is a mix of the industry-leading technologies, heavily road-tested methodologies, and the customer focus vital for achieving rapid time-to-value.

Here are a few examples of how transforming testing can unlock budget, accelerate application delivery, and improve the customer experience. Imagine the possibilities at your organization—and let us know how we can make it a reality, together.

"We cannot have people spending their time on software testing tasks that can and should be automated. There is much higher-level work to do. We need future-oriented staff, and we can't afford to make them suffer by asking them to do needless manual testing."

—Andreas Kranabitl, CIO SPAR

Key benefits

REDUCE TESTING COSTS

ACCELERATE RELEASE SPEED

INCREASE SOFTWARE QUALITY

Reducing the cost of testing $20M/year at Nationwide

Nationwide Mutual Insurance Company recently prioritized far-reaching digital transformation initiatives to propel the century-old organization forward. To start, they asked Gartner to evaluate their core IT programs and learned that their cost of quality was much higher than industry peers. Sensing an opportunity to unlock budget, their IT leaders worked with Tricentis to outline a strategy for reducing the cost of quality across their 2,500 applications.

Nationwide began by using Tricentis Tosca to optimize and automate the core test suites for the applications that historically required the largest amount of testing effort. This maximized their ability to generate savings as quickly as possible. From there, they prioritized the remaining applications, gained the support of the application owners, and expanded adoption in a series of 3-month waves. Automation meant that the testing headcount could be reduced approximately 3X.
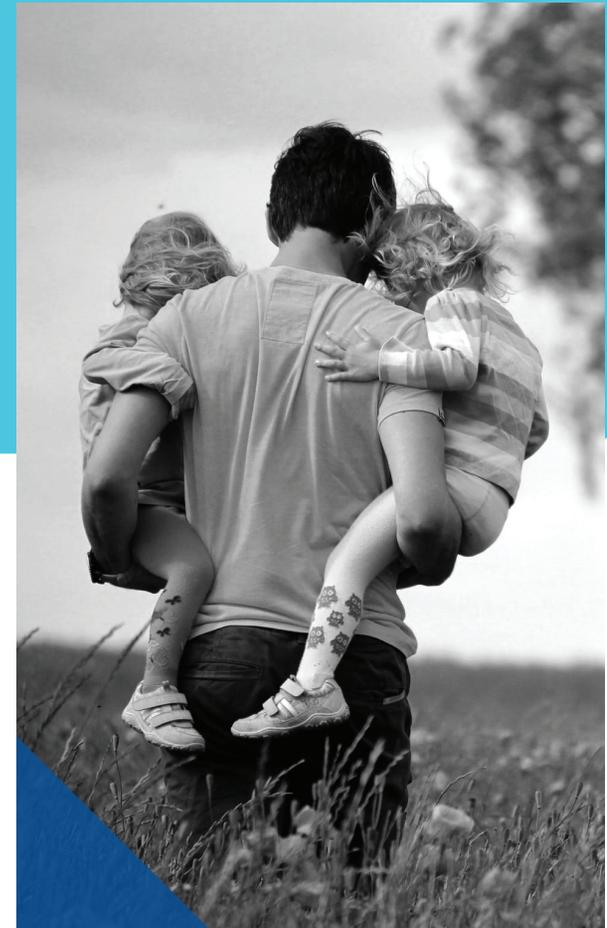
In the first year of the program, Nationwide reduced costs 29%, exceeding their target by 150%. They shaved nearly $20M out of their annual testing budget and reallocated this spend towards digital transformation initiatives. It is important to note that this impressive gain was achieved without compromising time-to-market or exceptionally high quality. In fact, while cost savings was the primary goal, transforming testing actually improved quality and speed as a positive side effect.

Achieving 30-40% direct resource savings at a $30B+ beverage leader

The world's largest beverage company understands how difficult it can be to guarantee system stability during SAP updates. IT struggled with the overwhelming amount of manual analysis required to check each change. Too much time was being wasted. Too many people were being utilized. Too great a risk was being taken.

"It's essential to do a comprehensive SAP system analysis, but it's not practical to do it manually," said the application development lead for their SAP platform. "We were burning resources and weren't guaranteeing data integrity, putting general business operations at risk. We knew automation was the key to this process and we began the search for a solution to empower IT to more effectively manage SAP."

That search led to Tricentis LiveCompare, which performs AI-powered change impact analysis for SAP updates. "LiveCompare ensures we're

testing the right things and spending resources in the right places. The data received from LiveCompare allows us to more accurately tailor each test plan to an individual release. Instead of testing everything, we test only what's impacted. That has translated into a direct resource savings of 30-40%."

Cutting testing costs 75% at Moët Hennessy – Louis Vuitton (LVMH)

To support corporate goals of double-digit ecommerce growth over the next 2 years, LVMH, the world's leading luxury retailer, adopted an ambitious plan for digital launches. Meeting their objectives involved bringing entirely new brands online as well as introducing existing brands into new markets. Given their deep-seated corporate commitment to "deliver excellence," they had to ensure that each launch was flawless from the start—for every customer on every device.

Delivering exceptional quality at extreme speed required a testing transformation – shifting from ad hoc manual inspections of each release to a streamlined, repeatable, and highly-automated process. With the help of Tricentis qTest, LVMH adopted a strategic test design methodology, architected test building blocks that enabled 70-90% reuse across launches, and orchestrated a set of disparate test automation tools to mimic realistic customer behavior. They
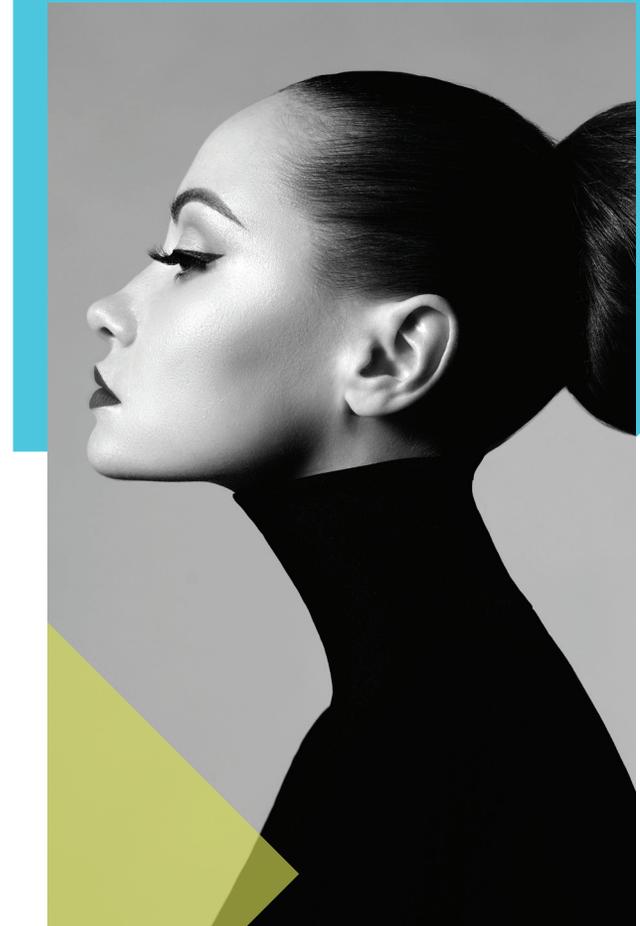
also integrated all their testing data into a single pane of glass that provides real-time insight into release readiness by persona, feature, and tech layer.

The result: LVMH slashed the time required to test each new market rollout from 50 days to 13 days, met their objective for exceptional quality, and also cut testing costs 75%.
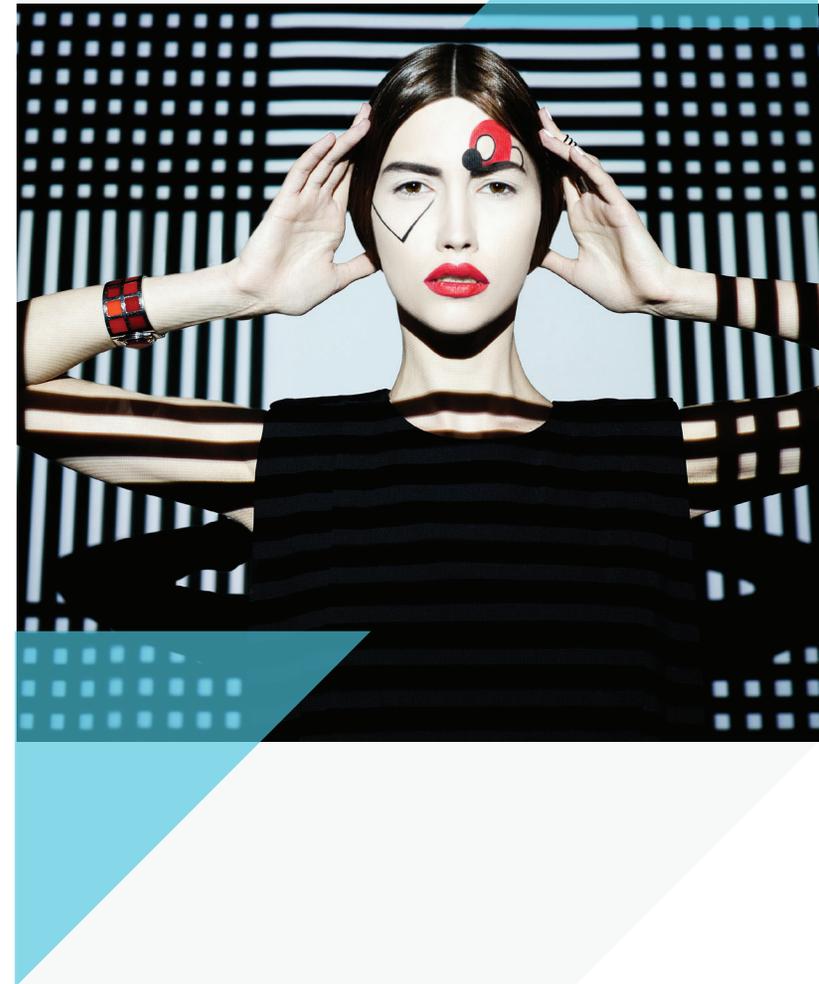
Final Thoughts

According to industry benchmarks, you can expect 10x faster speed and 50% cost savings by optimizing your testing process. This involves ramping up test automation across all teams/technologies, aligning its focus with your top risks and business objectives, and breaking down information silos across the organization's disparate quality processes, tools, and contributors.

See how your peers and competitors have already turned testing into a strategic advantage—and contact Tricentis to see how you can follow in their footsteps.

Estimate how test automation could pay off for your organization
Use our ROI calculator

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