

# WORLD QUALITY REPORT

2016-17

EIGHTH EDITION

## Eastern Europe

### Jérôme Cadiou

Testing Leader, Capgemini,  
Eastern Europe



### IMPORTANT TRENDS

- An average 19% of the total IT budget in Eastern European is spent on QA and Testing. This is significantly lower than the worldwide average of 31%.
- 61% of respondents report using DevOps for more than half of their projects. The corresponding worldwide average stands at just 39%.
- 53% of IT leaders from Eastern Europe say they have a central Testing Center of Excellence (TCOE), compared with only 38% worldwide.

In many ways, the Eastern European region is unique when it comes to QA and Testing. To a certain extent this uniqueness can be explained by its abundance of skilled human capital, combined with its location right next to the developed markets of Western Europe. These two factors make the region an attractive investment and outsourcing destination and this drives some of the more striking QA and Testing trends. This year's research reinforces some of these existing trends, while throwing up some new surprises.

The first thing that stands out is that the QA and Testing activities in Eastern Europe occupy a very small proportion of the typical IT budget. Eastern European IT leaders interviewed for the World Quality Report 2016 survey indicate that their companies devote an average of just 19% of the total IT budget to QA and Testing. This is significantly lower than the worldwide average of 31%. This marked difference can be explained by the fact that most of the organizations in the region tend to concentrate on very generic testing activities, such as functional testing and end-to-end testing. These activities occupy the lower end of the testing value chain and are not expensive. Thus they account for only a small portion of the IT budgets in the region.

However, there are clear signs that this is changing. The same Eastern European respondents also believe that they will devote an average 30% of their IT budgets to QA and Testing within three

years. Much of this growth is expected to come from value-added services, such as test automation, test environment management, security testing and performance testing.

Currently, many Eastern European organizations are also passing through a phase of application portfolio rationalization. This reflects long-standing issues, such as problems with design complexity and difficulties integrating new applications in the existing ecosystems. In addition, quite a few companies are in the midst of overhauling their legacy systems, which are typically 10-15 years old and unable to support current business requirements. This widespread transformation of the IT landscape is only going to strengthen and enable the movement towards more non-functional and agile testing practices.

There are also a number of QA and Testing areas in which Eastern Europe appears to be ahead of the curve. One of these is related to DevOps, which has seen a surge of popularity in the region over the last eighteen months. According to our survey, 61% of respondents report using DevOps for more than half of their projects. The corresponding worldwide average stands at just 39%.

One of the reasons driving this enthusiasm for DevOps could be the failure of a number of large implementations across the region over the last few years. This has made many companies



hesitant to start large, integrated projects. Such companies see in DevOps a flexible framework that allows them to control risks by breaking larger projects into smaller, more manageable chunks. This reasoning is also supported by the increasing trend towards adopting loosely coupled architectures. 50% of our survey respondents from Eastern Europe say they are adopting loosely coupled architectures and/or micro services, as opposed to 41% worldwide.

In contrast, agile adoption rates are on par with the rest of the world, with just the Kanban agile method showing a divergence in usage. Eastern European respondents to this aspect of agile report that they are using it for an average of 19% of their projects. This is more than the corresponding worldwide figure of 15%.

Due to its lower-cost base, Eastern Europe has historically been less incentivized to automate its test cases. At approximately 21%, the region lags the global average of automated test cases by almost 8%. However, there is a growing interest in automation across the region, with many organizations actually setting automation goals as part of their IT strategy. Moving forward, we see major investments being made in this area as Eastern Europe catches up with the rest of the world.

The region also lags behind in the movement towards decentralization. 53% of IT leaders from Eastern Europe say they have a central Testing Center of Excellence (TCOE), compared

with only 38% worldwide. For the immediate future, there seem to be two opposing trends at work. On the one hand, a large number of IT leaders say that decentralizing TCOEs for improving agility and efficiency is one of the most important elements they consider when setting up their testing operations. On the other hand, the same respondents also stress the importance of setting up TCOEs in offshore locations to take advantage of lower costs. This discrepancy can be explained by the way in which IT departments are organized. Many companies in sectors such as Manufacturing and Consumer Products, Retail & Distribution are marked by highly centralized IT organizations, and these tend to have offshore TCOEs. In contrast, certain companies in sectors such as Financial Services and Telecom have local operations with highly centralized and local teams.

To bring it all together, Eastern Europe seems to be lagging behind the rest of the world by 2-3 years in its QA and Testing practices. This lag is likely to be made up over the next few years as two major trends take hold in the region. Firstly, the move towards decentralization as well as the extensive use of agile and DevOps is going to re-shape the way the QA and Testing function is organized in most companies. Secondly, we will see increasing investments in automation and a move away from the current high reliance on manual testing. We expect significant investments in the non-functional testing areas such as automation, security and continuous delivery. The share of QA and Testing in overall IT budgets is also set to go up.



Download the World Quality Report 2016-17:  
[www.worldqualityreport.com](http://www.worldqualityreport.com)



### Contact HPE

If you desire more information about testing tools, please contact

**Toby Marsden**, EMEA ALM Business Leader  
[toby.marsden@hpe.com](mailto:toby.marsden@hpe.com)

© 2016 Capgemini, Sogeti and HPE. All Rights Reserved. No part of this document may be reproduced or copied in any form or by any means without written permission from Capgemini, Sogeti and HPE.

