Role of Outsourcing: Finding Your Vision

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PQA test smarter...

PROFIT 100 CANADA'S FASTEST GROWING COMPANIES 2010

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About PQA

- Canada's largest independent software testing company
  - Founded in 1997
  - 100+ employees
- Locations
  - HQ and delivery center in Fredericton, NB
  - Delivery centers in Halifax, NS and Moncton, NB
  - Now in Vancouver, BC
- PQA consultants are...
  - **Trained** in formal testing methodologies and QA best practices
  - **Experienced** with a wide variety of tools
    - HP Quality Center, Quick Test Pro, Load Runner
    - Micro Focus TestPartner, SilkTest
    - IBM Rational Robot, Selenium, more
  - **Educated**
    - >90% CS or Software Engineering degrees

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ISTQB Certified Tester

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What Is Outsourcing?

- Types of outsourcing
  - Contractors (staffing)
  - Consultants (expertise)
  - "Boutique" vendors (speciality)
  - "Big Box" vendors (full service)
- Global-sourcing?
  - Americas:
    - Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Panama and Peru.
  - Asia/Pacific:
    - Bangladesh, China, India, Indonesia, Malaysia, the Philippines, Sri Lanka, Thailand and Vietnam.
  - Europe, the Middle East and Africa (EMEA):
    - Bulgaria, the Czech Republic, Egypt, Hungary, Mauritius, Morocco, Poland, Romania, Russia, Slovakia, South Africa, Turkey and Ukraine

Gartner Identifies Top 30 Countries for Offshore Services in 2010-2011
http://www.gartner.com/it/page.jsp?id=1500514
http://www.sourcingline.com/top-outsourcing-countries/

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Why Use Outsourcing?

- Gain cost savings
- Reduce time to market
- Access to leading practices
- Create a clearer strategic focus
- Free up internal resources
- Access on-demand capacity and expertise
- Leverage value additions

- What are cost savings?
  - Compare hourly rates or per unit cost?
  - Compare productivity of the team?
  - Compare reduction of Total Cost of Quality ←
- Where can you get the biggest bang for the buck?
  - Step back and think it through
  - What outsourcing approach provides all of these things?

http://www.silverpath.com/resources/Silverpath-InvolveTestingThroughoutSDLC-090830.pdf

… your own approach!

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Outsourcing Challenges

- Prepare for outsourcing – evaluate:
  - Labour arbitrage (low cost)
  - Reliability of infrastructure
  - Scalable productive talent pool
  - Low attrition levels
  - Post secondary education levels of team
  - Proximity of time zone / geographical location
  - Ease of travel to / from outsourcing destination (flights, visas)
  - Fit of culture and language
  - Data / IP protection and legal maturity
  - Low geopolitical risks
  - Recognition of outsourcing destination by analysts
- What leads to "failed" outsourcing?
  - Hidden costs erode expected benefits of labour arbitrage
  - Communication issues
    - Remote teams, timezones, language, etc
  - Sub-optimal team size management
  - High attrition or rotation
  - Lack of understanding of business / domain
  - Lack of understanding complexities of project / technology
  - Lack of active management / monitoring
  - Lack of "true" partnering
  - Lack of comprehensive strategy

http://www.silverpath.com/resources/Silverpath-ProjectSuccessTestOutsourcingSurveyWhitepaper-100909.pdf

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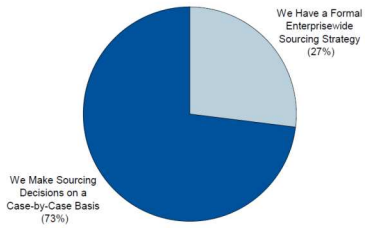
"Tactical Outsourcing Prevails"

- Gartner 2006: instead of a strategic, formal approach to IT outsourcing, the majority of organizations are undertaking IT outsourcing decisions to solve immediate problems or to achieve tactical, cost-focused results

Most Organizations Lack a Formal Enterprise-wide Sourcing Strategy



Source: Gartner Dataquest (October 2006)

Outsourcing More but Enjoying It Less: What's the Real Problem?, Gartner, 2006 http://www.gartner.com/DisplayDocument?id=497272

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How To Approach Outsourcing?

- I want to have a partner who can participate at all levels within our projects/teams
- I want to partner with vendor(s) who can supply one or more specific specialized services – We will do the rest with our in-house team
- I want to contract individuals to add to my on-site project teams
- Nothing. I want to keep it all in-house

http://www.silverpath.com/resources/Silverpath-ProjectSuccessTestOutsourcingSurveyWhitepaper-100909.pdf

… why not mix it up?

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Seek First To "Know Thyself"

- Where are your pain points right now?
  - What is hurting you or holding you back?
- What does your product / project landscape look like?
- What do your teams look like (skills / experience)?
- Where do you need both to be in 'X' years?
- What is your strategic focus?
  - What is the true business?
  - Why do you do testing?
- What is your motivation for outsourcing?
  - What is your goal?
  - What services are you expecting to have provided?
  - How does this map to the above?
- How can you be proactive and reactive?

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Brainstorming Exercise

- Reasons to Outsource Testing
- Challenges to Outsourcing Testing

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Design Your Improvement Roadmap

- Build your roadmap by:
  - Identifying the different components of the expressed goal
  - Determining what is needed to achieve each components
  - Determining the gap in your ability to achieve each component
  - Grouping responsibilities / tasks into roles or activity sets
  - Identifying the source / form of the solution
  - Making a plan to move ahead on all improvement areas smoothly
- Learn from others:
  - "We learned that we not only needed to know and convey what we wanted out of outsourcing but that we also needed to learn when we could expect those things to be delivered."
  - "In hindsight, we would emphasize and prioritize the actions that would lead to a faster ramp-up."
  - "The piece I would change if I had to do it over again is around cleaning up some of our processes and procedures ahead of time."

"100 Lessons Learned by Buyers of Outsourcing Services" http://www.outsourcing-center.com/2010-12-100-lessons-learned-by-buyers-of-outsourcing-services-white-paper-42273.html

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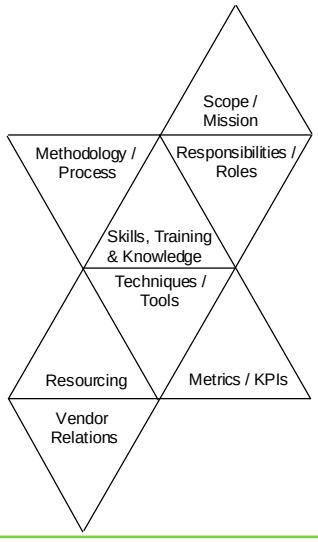
A Multi-faceted Approach

- Crafting a multi-faceted solution aims to provide a combination of benefits:
  - Cost efficiency
  - Capacity scalability
  - Optimized communication
  - Domain expertise capture / retention
  - Specialized skills access
  - Centralized strategic planning and accountability, etc
- Quick wins and longer initiatives ← both need to be started
  - Take an Agile-like approach to the improvements
  - Be prepared to modify your organization / team structure



http://thinktesting.wordpress.com/2002/09/09/continuous-quality-improvement-and-outsourcing/

… partner to achieve rapid ROI!

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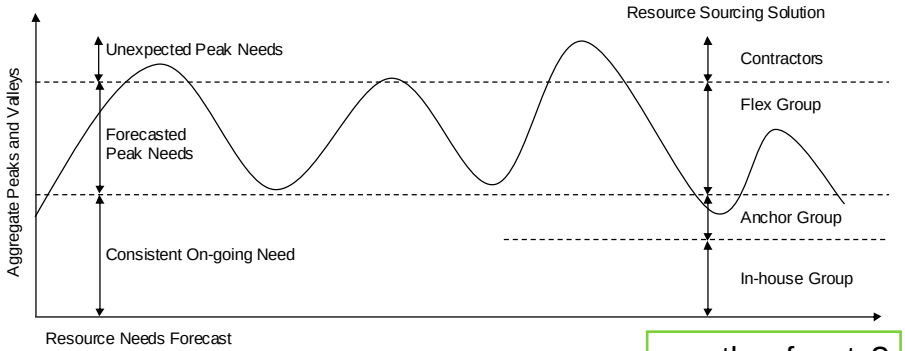
Simplistic Exercise: Peaks & Valleys

- Staff augment a project when it needs it
  - How does this map back to our combination of expected benefits?
  - How does that look from a challenges point of view?
  - Are your needs isolated from the rest of the organization?



… other facets?

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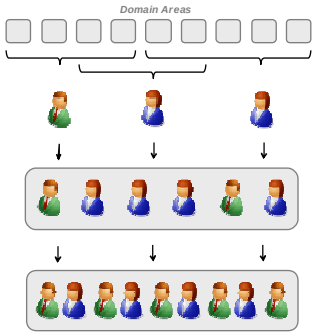
PQA Anchor-Flex Approach

Strategic Provisioning of Capability & Expertise



Degree of domain expertise

- Business & Technology Strategy
- Risk Assessment & Prioritization
- Test Strategy Development
- Quality Criteria Determination
- Test Management
- Test Analysis & Design
- Test Automation
- Test Execution

Domain Experts & QA Leaders

Anchor Group

Flex Group

… identify key personnel

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Small Team Example

- A part-time test architect to supply thought leadership, assist in coordination of and between team members, oversight and course correction, champion initiatives to achieve the goals
- A full-time tester to test new features and run the automated tests, investigate and isolate bugs; working side-by-side with the developers to draw out their input and contribution to quality in an agile-minded manner with respect to prevention and appraisal of quality issues
- A scalable team with flexible skills composition to undertake certain specialized tasks in-parallel with project work, such as functional automation smoke test, performance testing, and scripted manual regression testing

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Benefits Of Outsourcing With PQA

Proven track record
excellence and success in providing near-shore QA services

PQA Provides	Customer Receives
• Testing experts ‣ Results oriented with 12+ years experience	• Independence ‣ Leverage objective & unbiased product quality assessments ‣ Access specialized PQA on-site and near-shore resources
• Rapid scaling to your needs ‣ Testing Centers of Excellence ‣ 3 Delivery Centers ‣ 100+ testing professionals	• Extend internal capability ‣ Redeploy your team of under-utilized internal resources ‣ Infuse leading practices while retaining domain expertise
• Flexible engagement options ‣ Customized to provide the optimal service delivery to you	• Cost-savings ‣ Increase productivity & coverage for the same IT budget spend ‣ Reduce your Total Cost of Quality

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Engage With PQA

- Contact us to learn more about our engagement models, expertise and experience
  - Phone: (604) 723-0111
  - Email: trevor.atkins@pqa.ca
- Visit us @ http://www.pqa.ca

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