



Testing as a Service TaaS

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Testing as a Service - Forrester



Sourcing professionals are moving away from their historic emphasis on staff augmentation in testing engagements toward increasing focus on more predictable outcomes and consumption-based pricing. The result? Rising interest from both customers and suppliers in a new set of offerings that is often described as "testing-as-a-service." Various suppliers of test outsourcing services are now formalizing their as-a-service offerings for the test outsourcing market. Together, these initiatives promise to transform the market for testing services by providing a new engagement model with many inherent benefits. However, these offerings pose challenges to sourcing and vendor management professionals who must understand the full benefits and risks associated with them. Unlike other as-a-service offerings, testing-as-a-service doesn't necessarily represent a true cloud service, but it might incorporate aspects of cloud. Sourcing and vendor management professionals must be aware of such factors in evaluating these emerging offerings.

What is 'Service'?

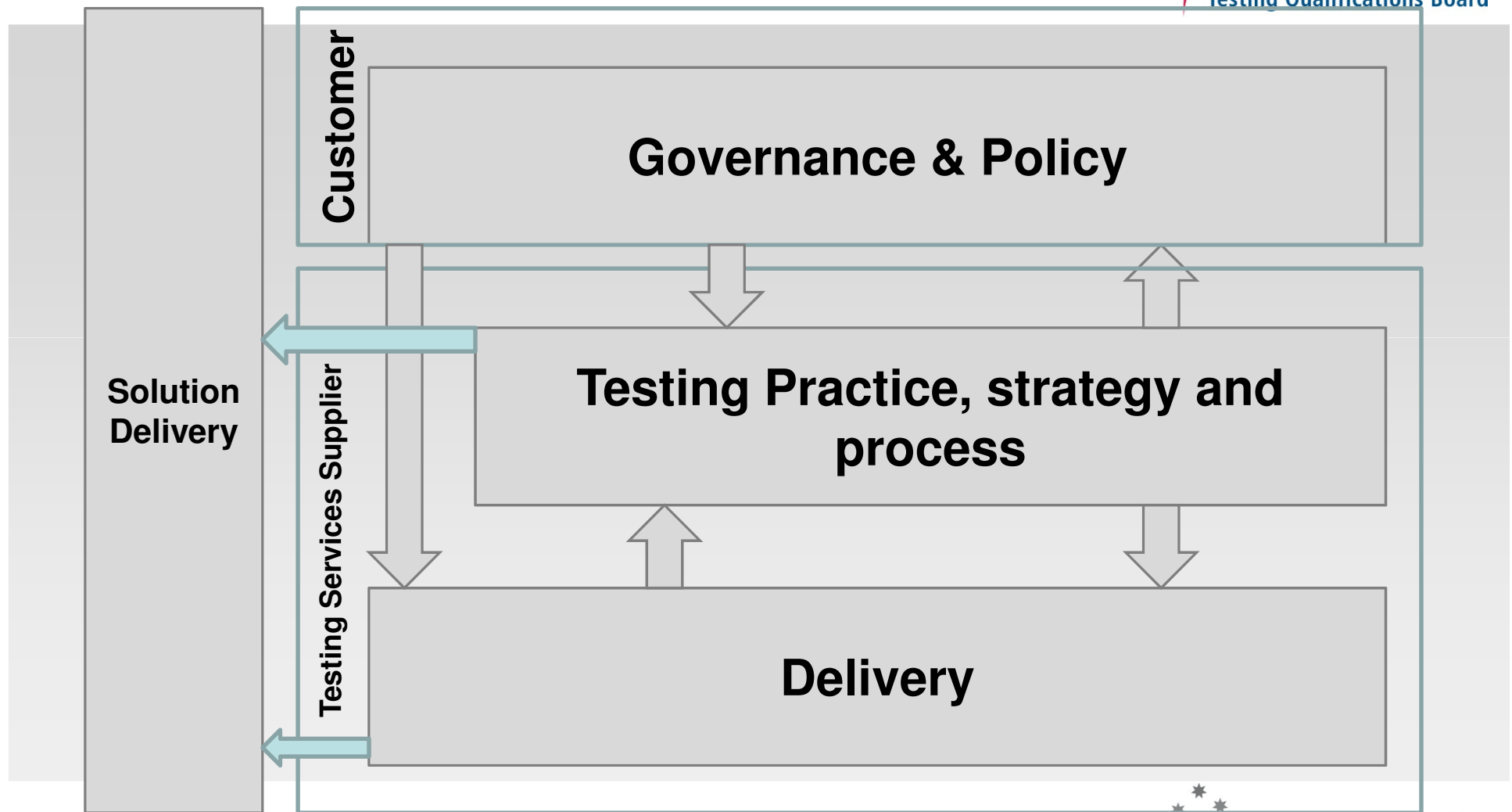


Not Staff Augmentation



~~Body shopping
Time and materials~~

3 Tiers of a Service



What does the customer get out of it?



Positives?

- Trust
- Partnership
- Less overheads
- No need to know as much as the professionals
- Innovation
- Benefits from industry without the cost

Negatives?

- Loss of Control

What does the supplier get out of it?



Positives?

- Trust
- Opportunity
- Financial reward
- Innovation
- Growth
- Development
- Professional recognition

Negatives?

- Accountability

What does the profession get out of it?



Positives?

- Trust
- Innovation
- Opportunity
- Growth
- Effectiveness
- Efficiency
- Professional status

Negatives?

- Accountability
- Too much process?

Consumption-based Pricing



A pricing model whereby the service provider charges its customers based on the amount of the service the customer consumes, rather than a time-based fee.

Consumption-based Pricing – what does that really mean?



- Suppliers and solution providers have an equal interest in the end customer
- The supplier should only make money if the solution provider is making money
- The supplier has to have a vested interest in the outcomes of the solution provider
- The vendor and the solution provider only succeed if they work together in a true partnership

Other Financial Options



- Up front % payments – provides incentive and capital and trust
- Hold back some payment (like staff performance, supplier has to meet performance standards at each measurement period to obtain this payment) – how much confidence does the supplier have in their own performance?
- Core payment based on minimum service. Time and materials over and above that.

What might that be in testing?



- Accelerated test service – regression test automation. Based on test cases (pre-defined and agreed test cases). Includes maintenance and execution.
- Testing general – based on number of steps in a test case
- Performance testing – can include number of virtual users, leaving clients to pay only for what they use, not having to purchase the tools themselves
- Repeatable testing e.g. Security, web site compliance to standards – can be per site or per page

Example – Question to Suppliers



Testing as a Service (TaaS)

Give your understanding of the principles of TaaS and how you intend to apply them in an our environment.

Explain how you propose to implement TaaS in our organisation.

Detail the relationship with our organisation that you require to successfully meet this requirement.

Identify any dependencies, assumptions or constraints to your proposal.

Provide information of current or previous TaaS engagements, with references.

Supplier must demonstrate that they understand the partnership relationship our organisation seeks.

Example – What the ‘good’ answer might look like



Clearly articulates how they propose to implement TaaS at our organisation, and move our organisation from its current staff augmentation model, and the proposal makes sense.

Expect to see mention of:

- **Consumption based pricing**
- **Alternatives to staff augmentation**
- **Measures**
- **Tools**
- **Possibly cloud**
- **Approach to IP**

Some services included and some excluded

Realistic understanding of dependencies and constraints i.e. what they can influence and what they can't influence.

Process improvement

Efficiency improvements

Effectiveness improvements

Outcome and value based response

Mutual outcomes with shared value

Ideally will have experience of providing TaaS and can supply reference sites.

The Relationship – Example - The Customer's Obligations



Our Organisation will

- meet all their obligations in relation to notice of changes to the operation of the agreement, such as changes in demand or changes in our tactical or strategic direction.
- provide account management, test policy and governance.
- empower the supplier to meet their obligations under the contract and Service Level Agreements (SLA) associated with the contract.
- provide the supplier with the information and level and type of engagement the supplier needs to fulfill their obligations.
- work in partnership with the supplier to achieve our strategic and tactical goals.
- support the supplier in meeting their obligations under the agreement.
- provide the supplier with access to an our representative who can influence change necessary for the supplier to meet their obligations.
- enable the supplier to engage with our stakeholders strategically for the purpose of the delivery and continuous improvement of our Testing Services.

The Relationship – Example - The Supplier's obligations



The supplier will

- meet their obligations against the requirements specified in this document.
- inform our organisation of the information and level and type of engagement needed to meet their obligations under the contract and SLA in time for it to be addressed and to ensure that they are successful in fulfilling their obligations.
- take accountability for meeting their obligations.
- invest in the delivery and continuous improvement of our organisation's Testing Service.
- contribute to the continuous improvement of our organisation's Solution Development Life-Cycle (SDLC).
- work in partnership with our organisation to achieve our organisation's strategic and tactical goals.
- implement a pricing structure that supports the value and outcomes of the service.
- work with our organisation to identify all Testing Services risks and issues, within and without a project structure, and their mitigations, and actively take ownership and close those risks and issues.
- align their organization's strategic goals for our organisation Testing Services with our organizational strategic goals.
- align the performance goals of individuals providing our organisation's Testing Services with our organizational goals

Example Measurements (Delivery)



- Test data analysis
- Test environment
- Execution
- Requirements Analysis
- Test case authoring
- Automation (scripting)
- Release plan
- No. of test cycles
- Number of test cases per release
- Test case complexity
- Risk profile
- SLA analysis

Example Measurements (service)



- What kind of service is being offered?
- Is it adding value?
- Have we improved and developed?
- Does it directly relate to our business acceptance of risk, tactical and strategic outcomes

And the difference is...



Instead of

- “I want 2 test analysts for 6 months”

They get

- “I want 10,000 test cases executed over the next 6 months”

And the difference is...



Reasons

Vs

Excuses



Are We
Ready?



Any questions?

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