



# How Testing can embrace the changing Business Climate

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## Introduction

The dramatic developments to the global economy have led to changes in consumer spending habits. This has implications for businesses around the world, so they need to adapt to ensure they put themselves in the best possible position. Taking advantage of such a climate to streamline processes and therefore become more cost efficient is one way. Increasing revenue is another. Both of these can be achieved – or certainly greatly boosted – by changes within your organization's IT. This document will discuss how.

## Cost Efficiency

Internal audits and analysis of operating methods will often highlight the different cost centers of the company and thus decisions can be taken on which areas can be focused on to save money. Streamlining processes is advisable to improve margins and to free up capital for reinvestment to achieve growth. In today's climate, ensuring money is being spent in the best possible way is proving even more important.

Enterprise IT is an area that undergoes continual changes due to advances in technology and as such, should undergo continual review. Organizations demand a lot from IT but are often unwilling to accept what the cost is or should be for what they require it to do. If an organization needs a new IT solution the options must be assessed. A pre-built solution could be purchased (often thought to be more economic) or the company could commission a bespoke application. In both instances, it is absolutely crucial from the outset to define the business requirements that necessitate its purchase. The business requirements should be aligned to the needs of the customer and these must be properly understood by both the system developers and those making decisions on it.

A new solution – whether bespoke or pre-built – usually needs to be integrated into the existing systems of an organization. Should this integration be improperly executed, disruption to the business could lead to a significant increase in costs to resolve the issues as systems may fail or have compromised performance. A system that does not function to the best of its ability will affect the reputation of the organization – brand damage is difficult to measure but is a serious implication. Furthermore, poor integration may lead to a loss of data which would have serious implications, again affecting things such as customer perception, changing it for the worse. Additionally, correcting defects after a system has gone live is more expensive – there needs to be much more intensive remedial work.

Thorough testing designed specifically for the solution could mitigate the risk of problems. Testing can ensure more defects are picked up earlier and corrected at a more cost efficient stage of the system's development or its implementation. But testing must be properly managed as this could also result in a drain on resources. For example, when testing seems to be taking too long it is often thought best to increase the headcount of testers. This costs more and may not be the best solution. Restructuring the test team to get maximum efficiency from each member with them focusing on the area they should will improve output. Better management of tasks and responsibilities with deliverables set to schedules can reduce release times and result in reduced costs and less headcount.

As pressure from business stakeholders increases on the IT department for systems to be released on time, quality can be compromised. Testing of a system's performance and suitability often occurs later in the project lifecycle, as a final check point. Development projects can be subject to unforeseen circumstances which results in various stages missing their deadlines. Yet the final release date often remains the same and as such, testing can suffer as there is less time within the overall project timeline to be dedicated to it.

This is common across all aspects of system development and implementation, but as business success becomes increasingly precarious, more emphasis should be placed on getting it right first time as redeveloping or reworking can cost much more. If the project looks set to go live late, it would be worthwhile calculating the cost of missing the date (is success dependent on first mover advantage, for example) against the cost of finding defects after the launch of the project or system. If possible, calculating the cost of damage to the brand should also be factored in. In the instances where getting to market is of paramount importance, the testing could be amended accordingly. A risk based approach where the areas most likely to encounter issues are looked at first would be beneficial. Critical problems could be dealt with first and the remaining time spent on those areas with diminishing impact.

## Increasing Revenue

Reducing costs is one way of helping a business maintain their margins and provide capital to invest back into the business. What must also be focused on is increasing revenue and market share.

Organizations within every industry rely increasingly on IT for their commercial success. One example of where IT is of paramount importance is online retail; revenue for this is

estimated to exceed \$200 billion in 2008. Fully functioning systems that use cutting edge technology to give the best user experience possible can aid organizations in becoming market leader. Furthermore, performance of websites is crucial to the user - a well-performing site could result in a sale but a user who has had a bad experience may never use the site again and may tell others of their poor experience. Forbes advised readers that for mature shoppers (those with more than 2 years of online shopping experience) quick page loading is important for their site loyalty.

Maintaining site functionality is subject to many factors and fluctuations in demand must be properly accounted for. Seasonal or marketing activity will drive traffic to websites resulting in peaks in user numbers. The aim of this is obviously to increase revenue but any fluctuations in demand to access an application carries risk. The greater the reward often means a greater risk. There have been many incidences documented in the media of companies suffering technology related problems that have led to loss of revenue in the millions – not to mention the cost of resolution in the public domain. However, if the system can handle the demands placed on it, revenue will be boosted with each peak of activity.

Having more channels to market such as mobile or Web 2.0 is an important way to increase revenue as they allow entry into different markets and access to new customers. To make new channels a success, the investment required must be fully appreciated. Adapting the business to accommodate changes may be necessary – if new technologies are employed with insufficient processes and principles to support them, the result may be disastrous. It is likely that even with the right foundations, organizations will experience a learning curve but success should be the end result.

Any changes in technology and any new solutions will need to be sufficiently tested to ensure their effectiveness. New techniques may need to be employed, the right skills must be sourced and new equipment may need to be purchased; Faraday cages for wireless testing, for example. A full testing solution should be tailored specifically to the solution. Upon its release, revenue targets are more likely to be hit as everything will function as it should, thus satisfying the business needs.

## Summary

Cutting costs and increasing revenue are always important for organizations but in today's business world, they have even greater emphasis. To become more resilient to fluctuating conditions is something that business leaders must do as a priority and will only assist in standing the organizations in good stead when the climate becomes more prosperous.

It may be that initial speculation is required – bringing in advisors to review processes or conducting testing on a system that has been developed with business requirements in mind and as such should work as defined may be difficult to justify. However, money may be being spent where it need not be and costs will be incurred if systems fail to work as they should. The remedial work and damage to brand reputation will no doubt far exceed the initial outlay and this should be taken into account. Competitive advantage can be gained and maintained purely through an organization's IT and the bottom line can be boosted with its success.

*Graham Smith is Senior Vice President of European Business for AppLabs, the largest independent global provider of quality management, testing and certification services. For more information go to [AppLabs.com](http://AppLabs.com)*