

How IT investment can deliver the greatest business value

The role of systems quality assurance and testing

The IT element of any programme needs to clearly support the business requirements. But how do you evaluate if and how investment in IT is efficient, effective and obtains the best results to support the organisation's goals and objectives?

Today, quality assurance and testing are increasingly recognised as providing real value to the business. However, to maximise their chances of success and ensure programmes deliver what they promise, QA and testing functions need to adopt new approaches. They need to truly get business buy-in and work together with both business and IT and not simply deliver to them or be seen only as a cost centre.

This paper will examine:

- > What constitutes a successful programme?
- > What do you need to take into account when developing goal criteria?
- > What should be the IT performance measures and why it is so important to make sure you are measuring the right things?
- > The potential impacts of outsourcing as an agent for change

What constitutes a successful project or programme?

A successful project or programme can be said to have achieved the desired effect on business operations and on strategic outcomes within the planned cost and time schedule. It should also realise the desired qualitative as well as quantitative benefits, so getting the requirements right is a critical success factor.

In order to achieve successful outcomes it is essential that projects and programmes are well planned and controlled. This means being able to work to clear goals and demonstrate their delivery at a business case level designed to prove the value of any innovation and show benefit realisation at the end of the transformation.

Techniques such as Agile are sometimes used because they allow IT and the business to be more collaborative. However, QA and testing play an important role in making sure that any ambiguities are recognised and dealt with from the start and a risk-based approach is followed to ensure that objectives and activities are prioritised in terms of their criticality or impact in order to achieve the best results for the organisation.

But very few organisations determine success by measuring the delivery benefits achieved against the original business case, let alone include those changes required during the delivery lifecycle.

What are the right goal criteria?

The challenge is to be really clear on what the business wants to get out of any change together with the impacts for all the stakeholders concerned, such as management, users, partners or customers. They need to be fully engaged and understand their roles in an overarching business context.

This is particularly important where the programme may physically meet its planned goals, for example reduce the time handling a customer order, but not change behaviours to maximise the outcome such as staff not engaging and communicating with the customer at the right time.

Project or programme goals can be either tangible or intangible but the requirements need to be measurable and testable. But how do we measure sentiment or engagement? How do we make the measures statistical? How can we drive out the right goals?

First we state what the goal criteria are; they can be explicit or implicit and describe the outcomes we seek to achieve as a business and to prioritise them so that attention is placed on areas of highest risk or most impact. We need to make sure they are meaningful and have the most positive impact on the business. Is it more important to know how many test scripts have been executed or whether we are going to meet the due date for a release or whether we will have all the functionality in the system that we had planned?

However it is important to link these goals to specific actions which can be described as a journey. This helps us to frame the context for testing so we can understand what the journey feels like. If we create a story board based on key requirements, showing each phase of the journey, it allows us to be more explicit on specific actions, on the underlying dependencies and to build acceptance scenarios focusing on key outcomes that need to be met in order to go-live.

If we then go backwards in the lifecycle, we can draw out what is important in terms of actions and results for the business and what success or failure feels like. What are the inhibitors? We can prioritise these results to explore their impacts on the key criteria and reduce risks.

This way of working helps us to engage all the participants in a way they may not be used to. It allows us to spot potential changes as we go through the process of an evolving programme but more importantly makes sure that the effort goes into working hard to get these factors right from the start.

In the longer term, this will not only ensure higher quality outputs and reduced risk but have a real cause and effect impact on the bottom line and deliver what the business needs to be most efficient.

What are performance measures and why are they required?

Measurement is vital in determining what a project is accomplishing, what is needed and whether the desired results are being achieved. This means that requirements need to be linked clearly to outcomes. Plans should include performance goals which define the level of performance to be achieved by an activity and it is essential to express these in an objective, quantifiable and measurable form. To maximise the impact, these need to be clearly aligned for all team members at all levels within the organisation.

However, it is important to note that simplistic measures can drive negative behaviours and unintended consequences. So it is crucial to measure the right things. For example it may be necessary to look at the opportunity cost of focusing all of the resources on one area whereas if they are released to work on several other areas they would have more impact. Some testing functions are only measured on a cost basis which will not incentivise them to be more efficient or innovative in their processes or use of automation for example.

Having defined the right things to measure, it is essential to be able to communicate concisely to the right stakeholders on regular progress and achievements supported by credible metrics and estimation models. End-to-end test management ensures that there is real ownership of outcomes and accountability for efficient and effective test outcomes. Creating clear statements of work ensures that everyone is on the same page.

Progress and achievements can be tracked and reported daily using dashboards, traceability matrices and stand up meetings while weekly trend analysis will communicate any potential risks while there is still time to make a difference to the outcome.

Outsourcing can help to drive the right disciplines

Organisations can benefit from a testing specialist's broader experience of driving through increased efficiencies and cost reduction to make sure that IT programmes are delivering real value to the business.

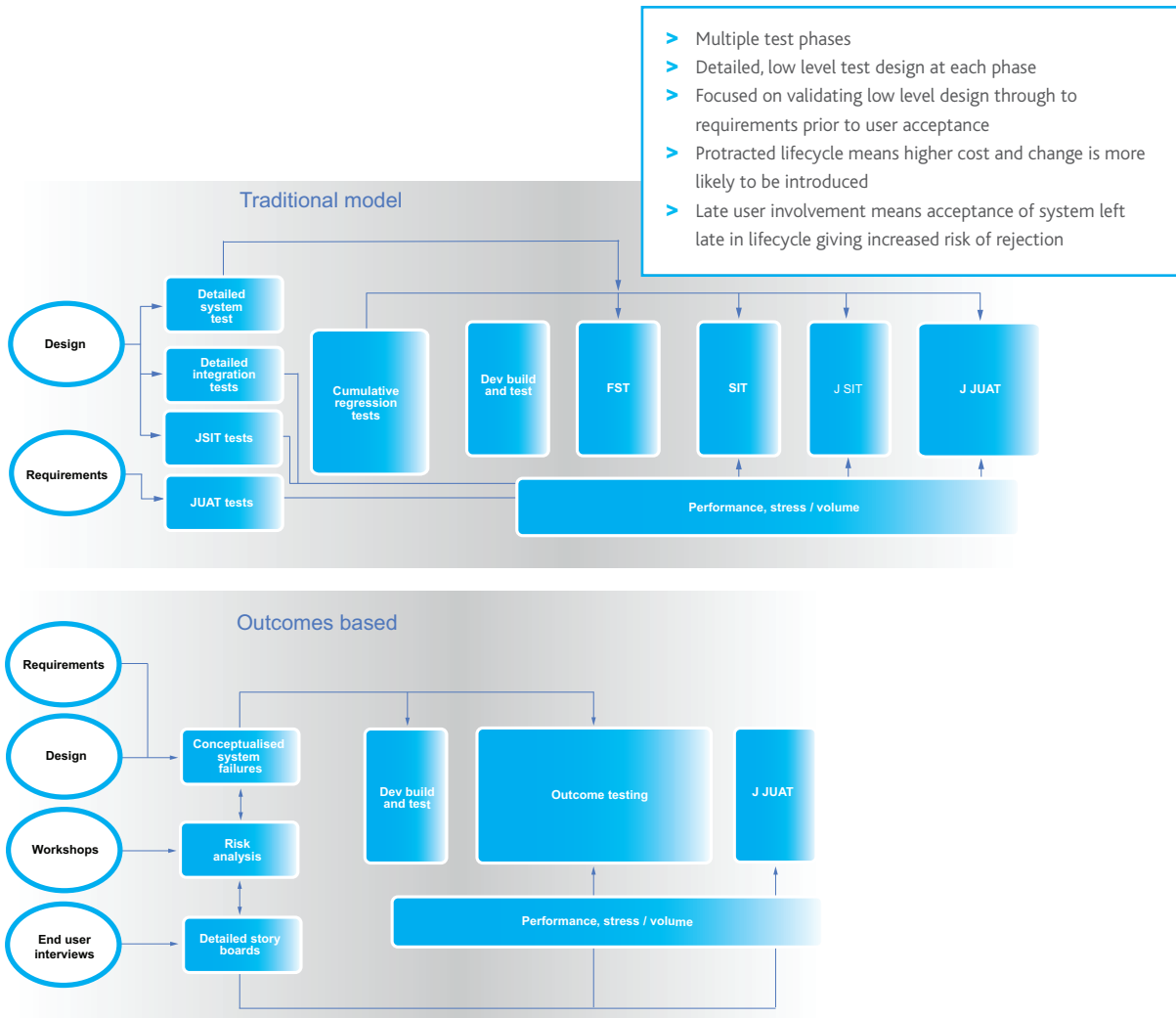


Figure 1

In a mature outsource relationship, the selection, contract and management process can be used to make sure that desired benefits are clearly linked by a formal measurement process to requirements stated in the business case and to outputs. In fact, outsourcing should be seen as a true partnership and not simply a relationship between client and vendor as both parties are incentivised to make it succeed.

In the contract process, the commercial framework will have an effect on how the partnership will operate and can be used to drive through efficiency and deliver the best possible outcomes. For instance, Capita has a financial commitment to key milestones and outcomes and is happy to be measured on achieving these.

Shared risk and reward and fixed price contracts will generally drive different behaviours so it is essential in both cases to be transparent in discussions between vendor and client. What do you think you have asked for? Is it clear? This applies equally to managing statements of work throughout the contract or when managing quality gate performance with your offshore supplier where you can link their performance to commercial outcomes.

Improved processes can be designed to drive through benefits such as cost reduction, reduced time to market and improved system quality or less defects that organisations are seeking through their outsourcing arrangements.

Key project indicators can be associated with these to clearly demonstrate the quantifiable benefits achieved at regular stages through the outsourcing contract. These can be linked at specific release points to quality gates.

In Capita, we involve and engage with business users right from the start of the programme. Our focus is on key business outcomes and we identify and prioritise the risk of potential failures so we can focus on what matters most. Our approach is designed to provide a working system as early as possible and can use a flexible resourcing approach to increase effort at the right times.

See Figure 1 which contrasts a traditional model with our outcomes based approach.

It is important to focus on realistic outcomes rather than simply to slavishly follow the process. It is not enough to understand the theory, it is the pragmatic application of innovation that generates real value. We introduce innovation where it makes a real difference to either service levels or the cost of service. We believe that it is this approach that really ensures that your IT investment delivers real value to the business.

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