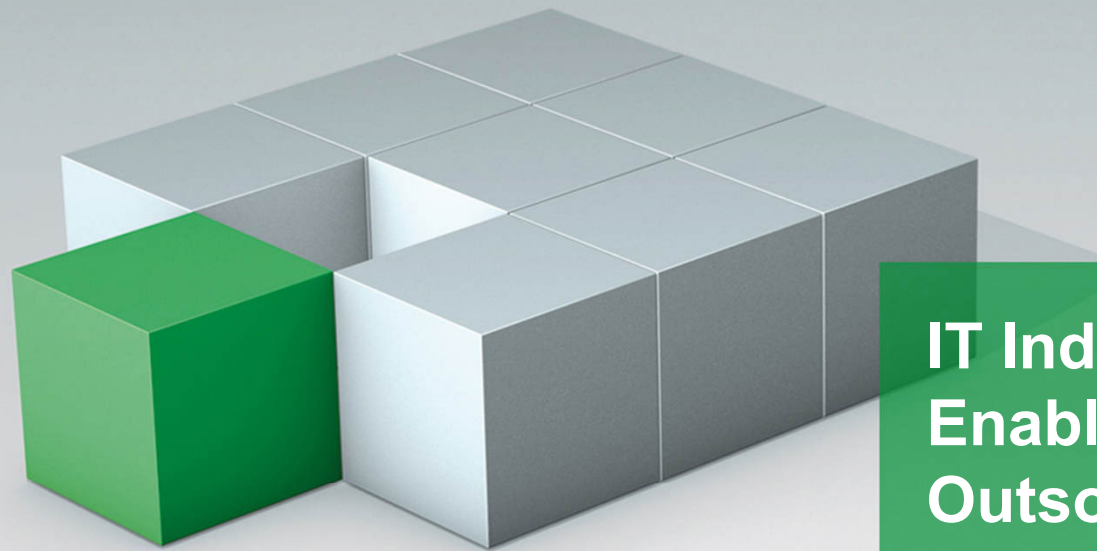


SQS. Excellence through Independence



## IT Industrialisation as Enabler of Global Delivery, Outsourcing and Cloud

Drs. Frank/Daniel Simon  
Head of SQS Research

2012/03/28

SQS Software Quality Systems AG

# Cloud computing is trend No 1 in the context of global delivery



## Global Delivery

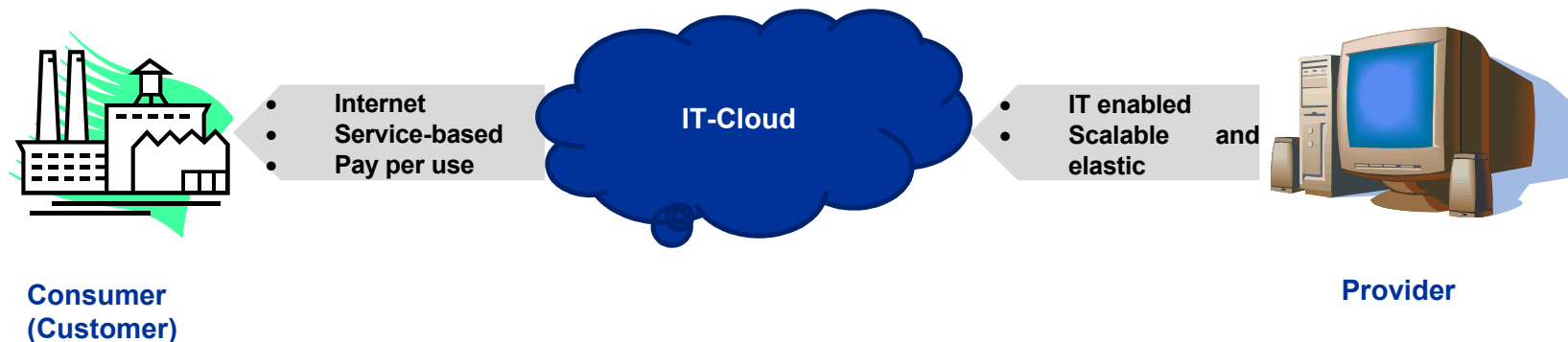
“The incorporation of globally dispersed creation and consumption of IT-enabled services, including applications, infrastructure and business processes.”

Gartner

## Cloud Computing

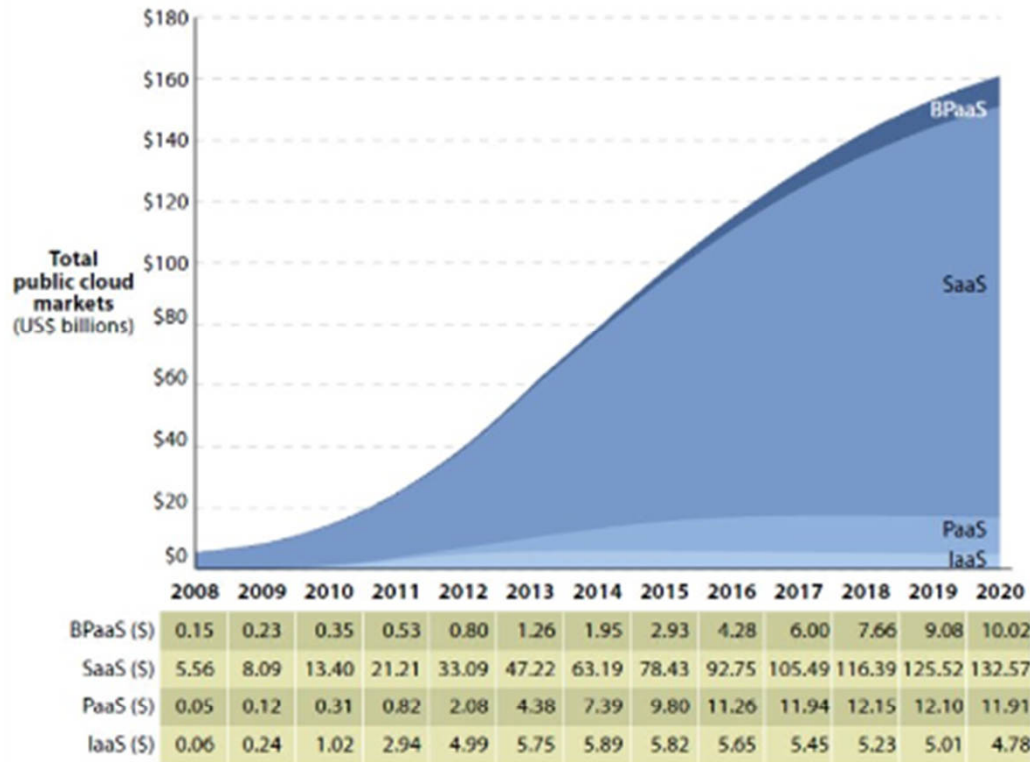
“A style of computing where scalable and elastic IT-enabled capabilities are delivered as a service to customers using Internet technologies.”

Gartner



# Idea: Global Delivery & Cloud

## The revolution has already started

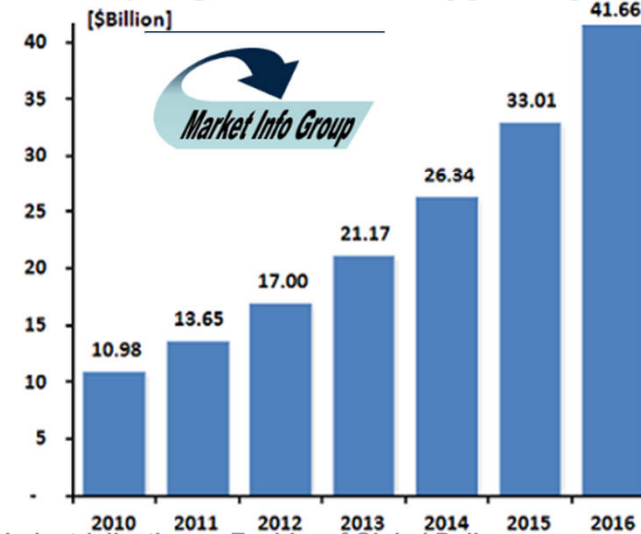


Source: Forrester Research, Inc.



News from TechMarketView

US Cloud Computing Market Forecast by [\$Billion] – 2010-2016



## Global delivery is mainly based on outsourcing



- Global Delivery → Outsourcing → Cloud

- Cloud Computing is outsourcing:

- *“Practice of subcontracting responsibility for all or part of an IT function to a third-party service provider that manages and operates the work”*

- Outsourcing market:

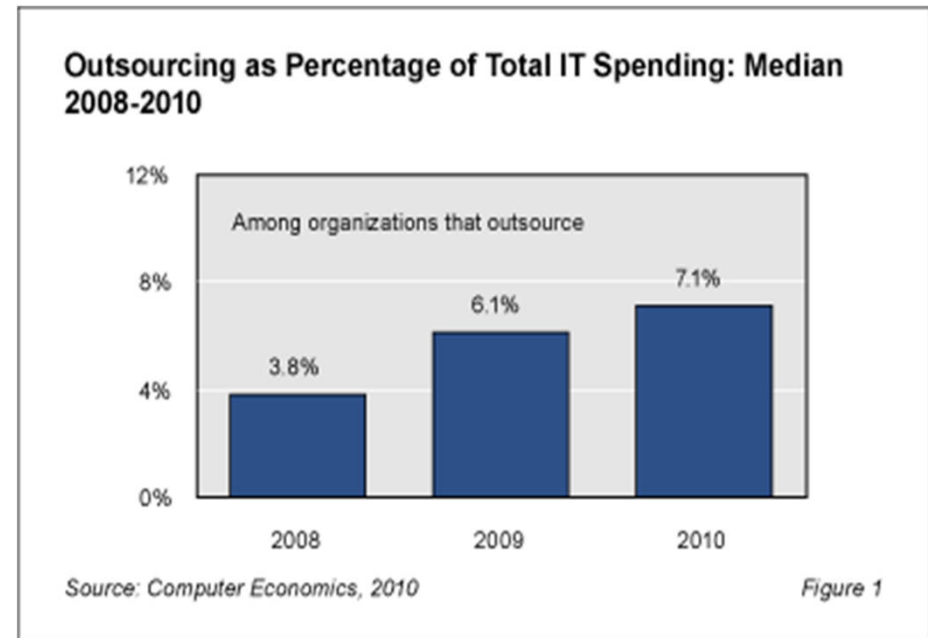
- Today

- 20% of outsourcing budget are spent to Cloud-Services

- Trend:

- 2020 25% of overall IT-budget will be spent to Outsourcing

- 2020: 70% of outsourcing budget will be used for Cloud-Services

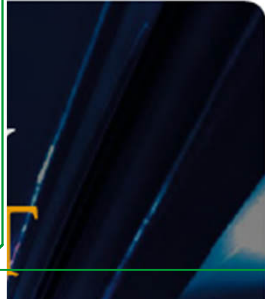


Leclerque, K.: Outsourcing in 2020.  
In: [www.cio.de](http://www.cio.de). Available at:  
<http://www.cio.de/knowledgecenter/outsourcing/2247905/index.html>

## Outsourcing: Status quo for some IT related activities



A companion report, the Capgemini Germany study, "IT Trends 2011<sup>®</sup>", reveals that today the average German IT department provides 50% of its own IT services. In comparison, leading companies with more industrialized IT departments have reduced the volume of services provided by their own department to 15% or 20%.



Almost half (48%) of German respondents prefer contractors co-located with their own employees. This is nearly double that of the international average.

Compared to other countries, German companies have a lower percentage of testers working at a nearshore or offshore location outside the company's main offices. Over 40% of test resources are located within their own office facilities, while nearly half (47%) of respondents have between 1% and 25% of their testers in nearshore and offshore locations. Only 12% of respondents have between 26% and 50% of test resources abroad, and none above 76%. The average of all other countries has more than double the amount of testers abroad.

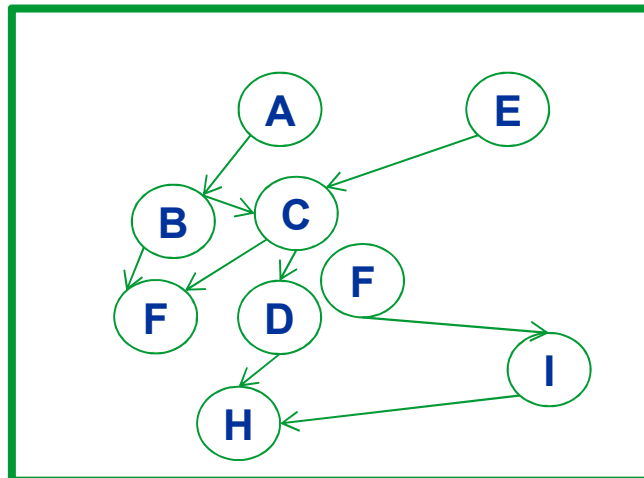
The approach of German companies towards cloud computing also seems to be more cautious compared to other countries. The vast majority of respondents (67%) expect that only a quarter of their applications will be hosted or migrated to the cloud over the next year, while the international majority expects to host or migrate 50% or more of their applications to the cloud.



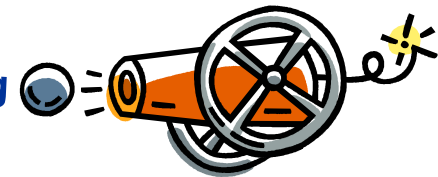
# Global Delivery has many initiators



Company



Re-organising



Cost pressure



Missing resources





Idea: Global Delivery & Cloud

# Global Delivery can be risky in some areas



InfoWorld Home / Cloud Computing / Cloud Computing / The danger of the coming 'big cloud' monopolies

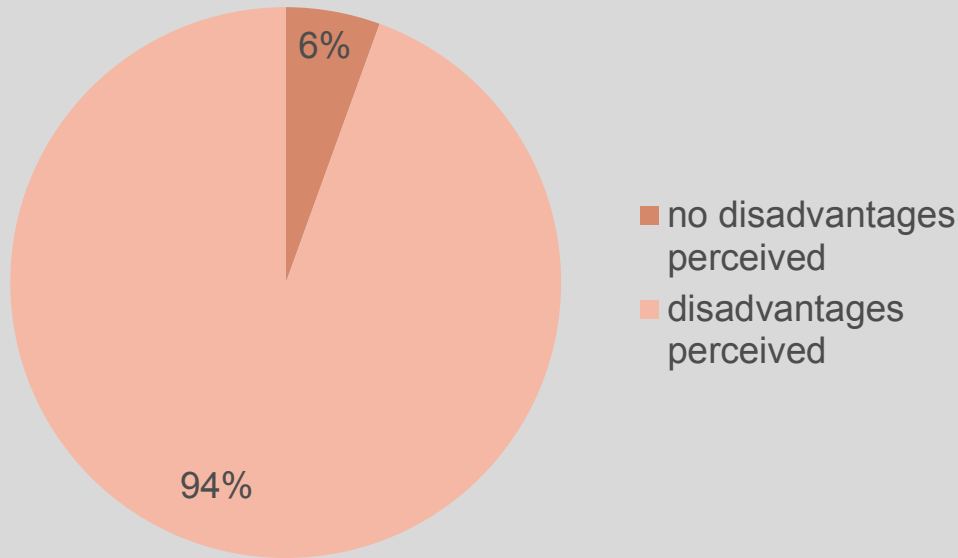


dependency to Provider  
Provider gets bankrupt  
Provider changes business model  
Provider forces proprietary formats

OCTOBER 20, 2010

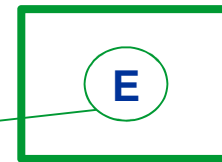
## The danger of the coming 'big cloud' monopolies

### Iqnite 2011 survey: Offshore Testing



n=939

Supplier A



Supplier B

World » Blogs » Today @ PCWorld

Recommend: Like 0 +1 0 34 Email 19 Comments Print

**TODAY @ PCWORLD**

### Sidekick Data Loss: T-Mobile's impending Nightmare

in Paul, PCWorld Oct 12, 2009 4:08 PM

Things went from bad to worse for T-Mobile as the Sidekick data fiasco appears to be casting a very dark pall on the wireless carrier.

As user outrage mounts over lost data, the wireless carrier has halted sales for all Sidekick devices in its retail stores and online, and there are reports of customer complaints being deleted off Sidekick forums.

Fortunately, some data has apparently been recovered, but many

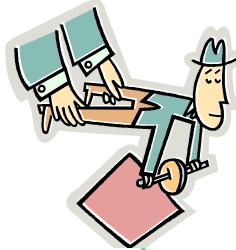
# No travel without start and goal! 3 dimensions define X-sourcing!



**Geographical location**



**Engagement style**



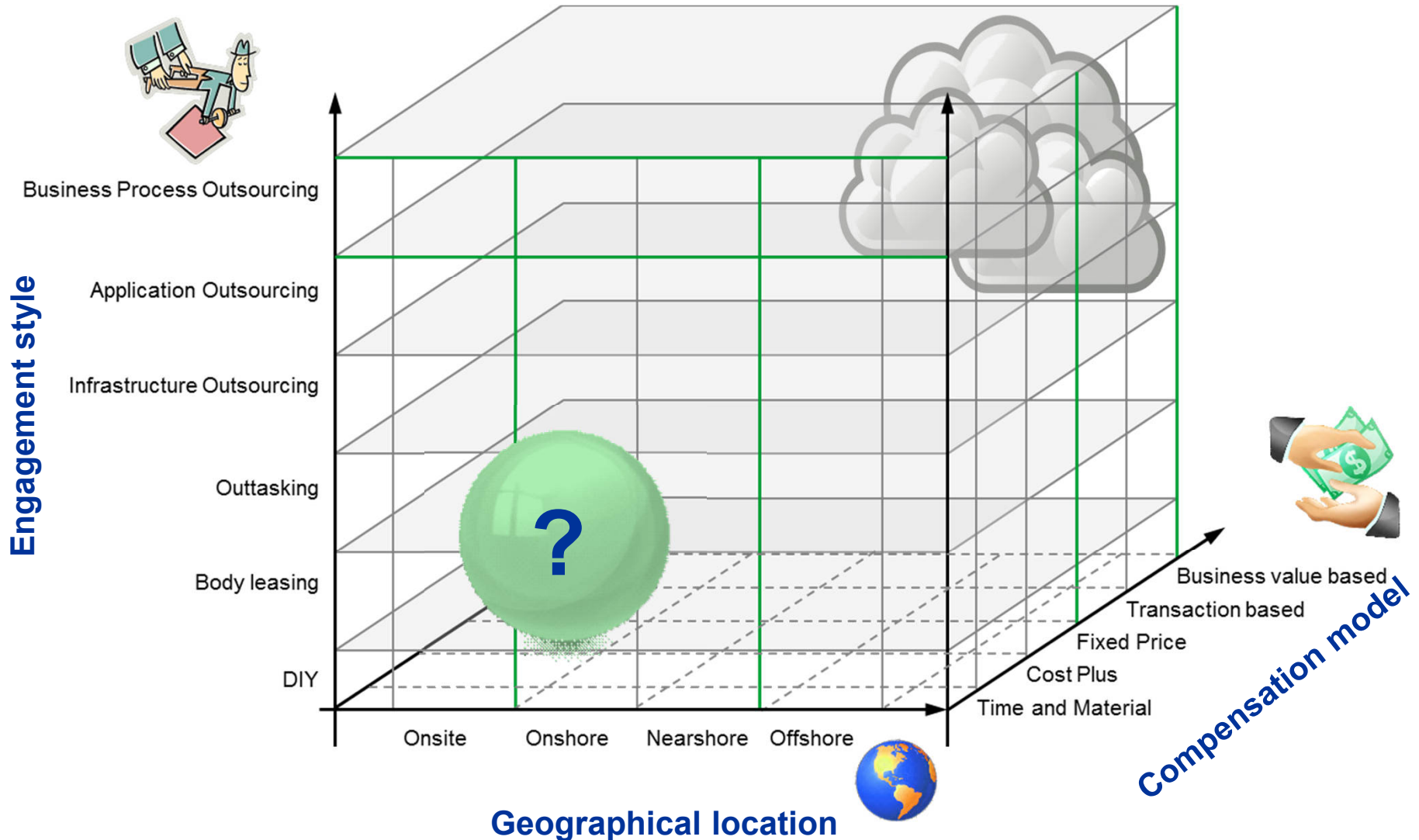
**Compensation model**



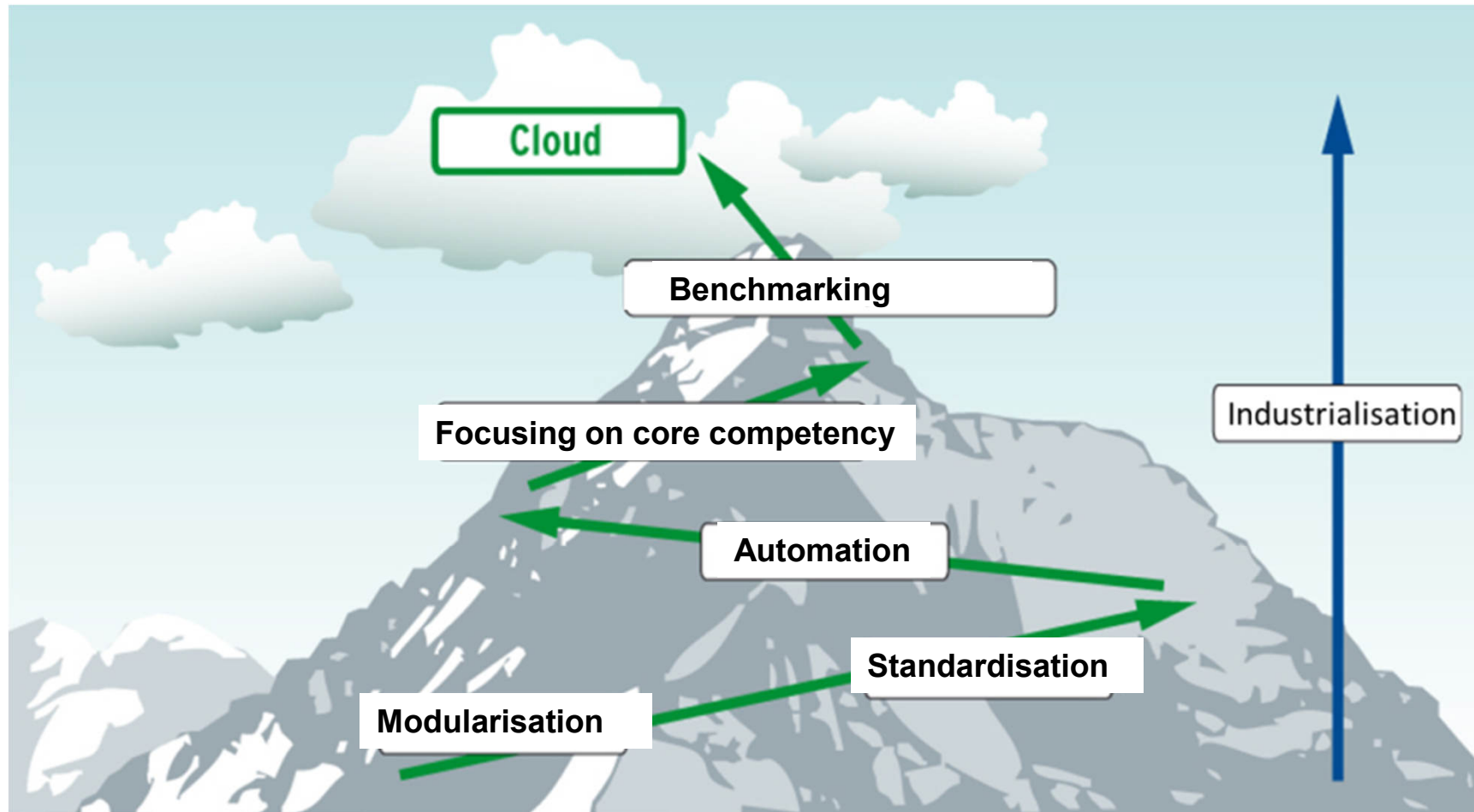
- Where are the resources located working on the globally dispersed creation?
- What type of engagement type is linked with the created and consumed service?
- How to pay for the created and consumed service?



# Global delivery cube to localise Global Delivery

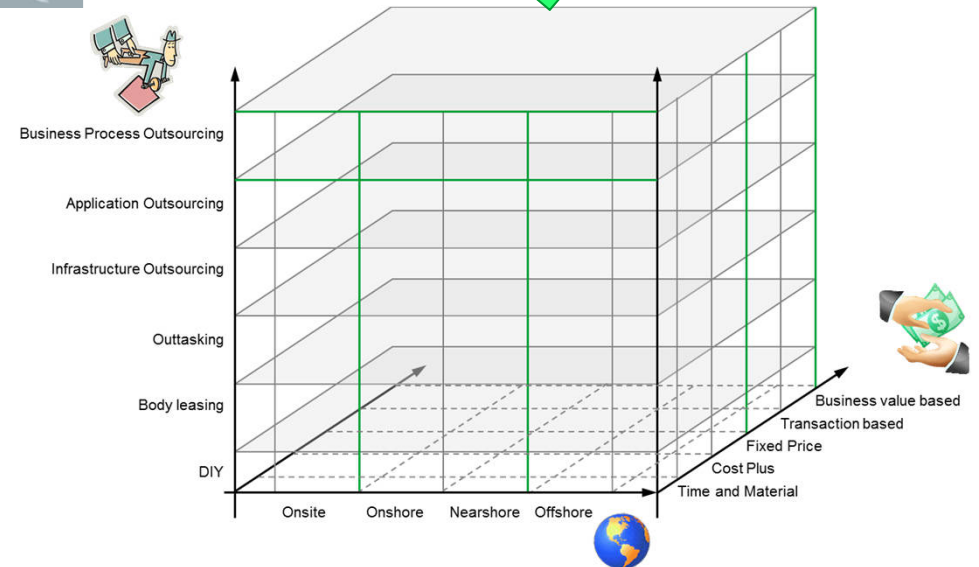
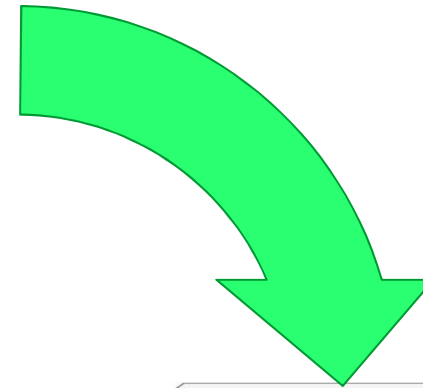
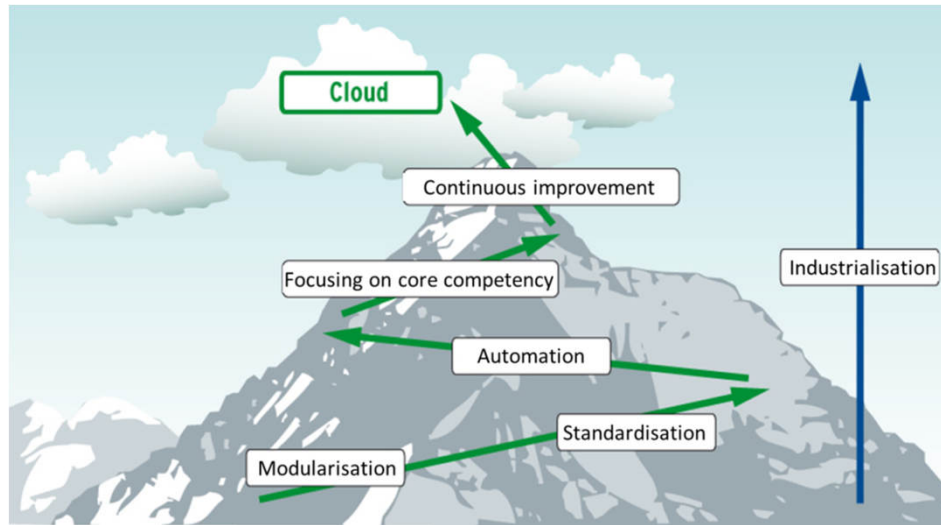


# Industrialisation is a long road with at least five major steps

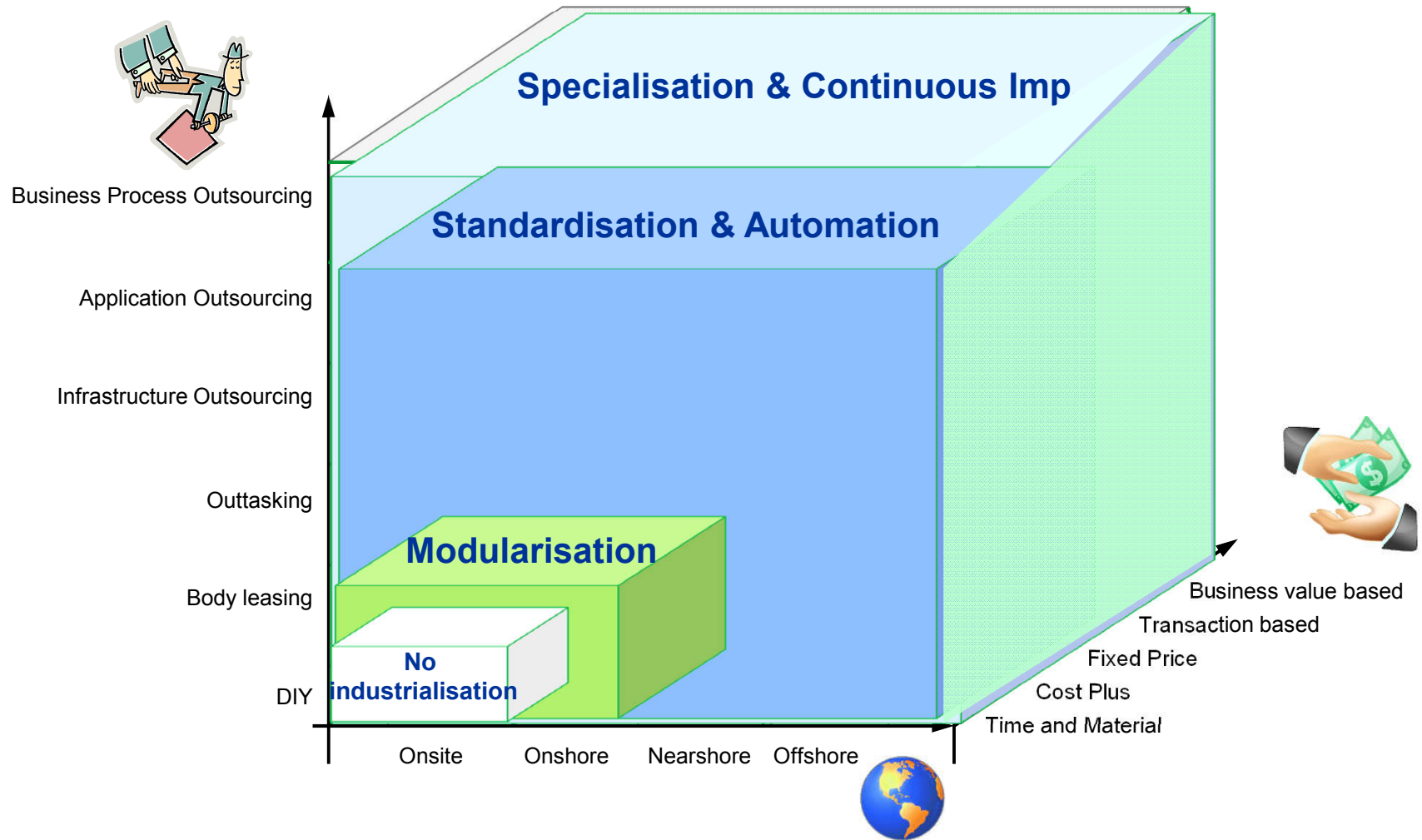


Industrialisation for global delivery

# There is a strong relation between global delivery and industrialisation



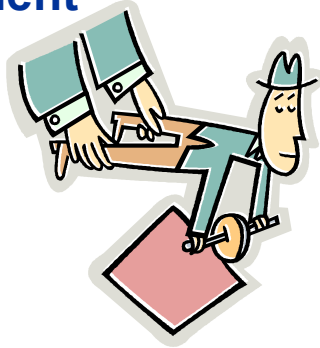
# There is a strong relation between global delivery and industrialisation



# There is a strong relation between global delivery and industrialisation



## Engagement model



Industrialisation Step	Engagement Model					
	DIY	BL	OT	IO	AO	BPO
Pre-Modularisation	X					
Modularisation	X	X				
Standardisation	X	X	X	X	X	
Automation	X	X	X	X	X	
Specialisation	O	O	O	X	X	X
Benchmarking	O	O	O	X	X	X

## Geographical Location



Industrialisation Step	Geographical Location			
	Onsite	Onshore	Nearshore	Offshore
Pre-Modularisation	X			
Modularisation	X	X		
Standardisation	X	X	X	O
Automation	X	X	X	X
Specialisation	O	X	X	X
Benchmarking	O	O	X	X

# There is a strong relation between global delivery and industrialisation



## Compensation model



Industrialisation Step	Compensation Model				
	T&M	Cost+	Fixed	Trans	Bval
Pre-Modularisation	x	x			
Modularisation	x	x			
Standardisation	x	x	x		
Automation	o	o	x		
Specialisation	o	o	x	x	x
Benchmarking	o	o	x	x	x



Industrialisation for global delivery  
**Global delivery readiness**



If you are working like this.....

forget about global delivery!!



Industrialisation for global delivery  
**Global delivery readiness**

---



If you are working like this.....

you have to think about  
global delivery!!



Industrialisation for global delivery  
**Global delivery readiness**

---



If you are working like this.....

you even don't know if you  
should think about global delivery!!!



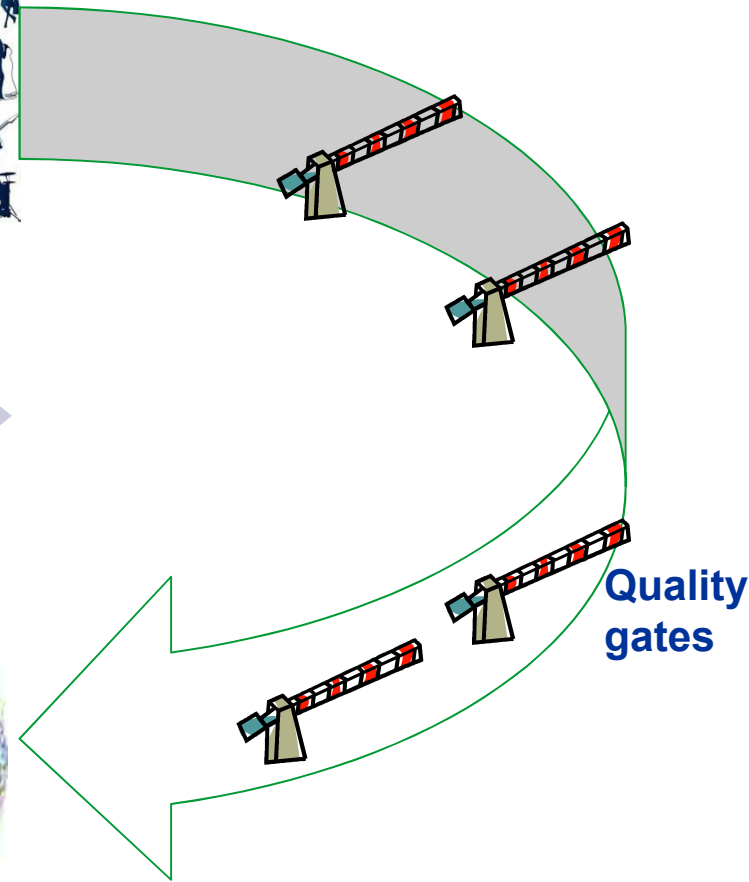
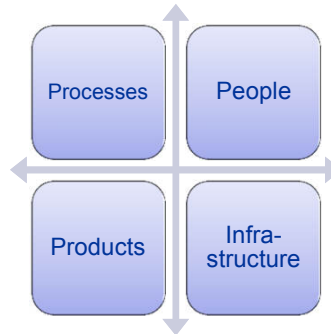


## Mission

From an heterogonous, redundant, inefficient, not further scalable and difficult to plan IT, based on individual engagements and capabilities....



...to an harmonised, systematic, intelligent, scalable, predictable to plan and efficient IT based on a network with well-defined processes, roles and responsibilities!



## Summary

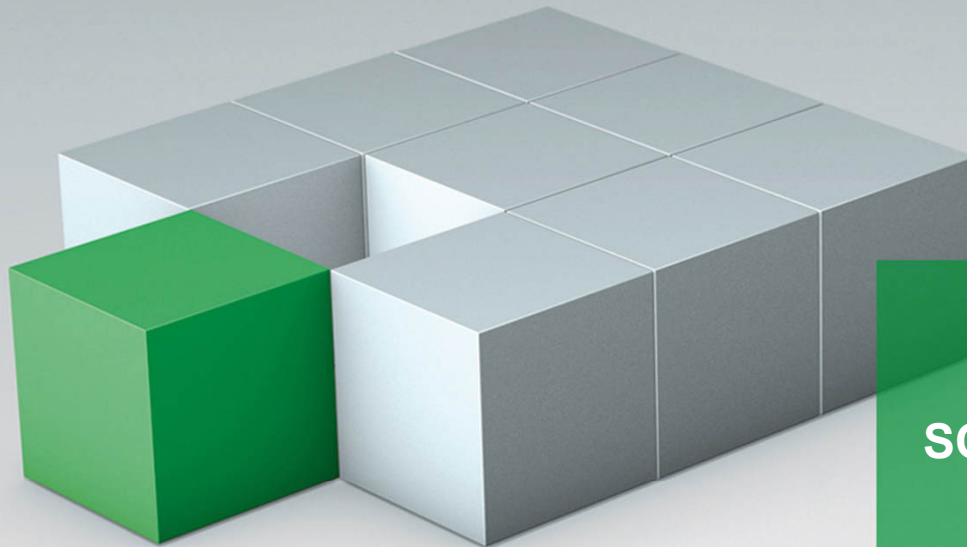
# Global Delivery is already there. Industrialisation suggests requirements for quality demanded in advance

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- Global Delivery (e.g. Cloud) is growing....with or without you
- Cloud is a specific type of outsourcing
- Decision for or against global delivery has to be taken explicitly
- Industrialisation defines quality gates for global delivery
- You have to consider the order of steps:
  - „Don't standardise and automate without modularisation!“
  - „Don't outsource what you don't know and what's not standardised“
  - „A systematic improvement is only possible for known artefacts, which can be compared and which are under your control“
- Working on your global delivery readiness generates benefits, even if you don't follow the cloud.

SQS. Excellence through Independence



**Dr. Frank Simon**

Dipl.-Inform.  
Head of SQS Research & Innovation

SQS Software Quality Systems AG  
Stollwerckstraße 11 | 51149 Köln  
Telefon: +49 (0) 2203 9154-476  
Telefax: +49 (0) 2203 9154-15  
Mobil: +49 (0) 178 4 65 80 57  
E-Mail: frank.simon@sqs.de

[www.sqs.de](http://www.sqs.de)  
[www.sqs-group.com](http://www.sqs-group.com)

[www.diagnostiker-blog.de](http://www.diagnostiker-blog.de)

**SQS Software Quality Systems AG**

Stollwerckstraße 11 | 51149 Cologne, Germany  
Phone.: +49 22 03 91 54-476 | Fax: +49 22 03 91 54-15  
E-Mail: [frank.simon@sqs-group.com](mailto:frank.simon@sqs-group.com)

Internet: [www.sqs.de](http://www.sqs.de) | Internet: [www.sqs-group.com](http://www.sqs-group.com)

Thank you for your attention